



Water Department

Water Commission
7:00 p.m. – Monday, December 1, 2014
Council Chambers
809 Center Street, Santa Cruz

Minutes of a Water Commission Meeting

Call to Order –Vice-Chair W. Wadlow called the meeting to order at 7:02 p.m. in the City Council Chambers.

Roll Call

Present: G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

Absent: D. Baskin (with notification)

Staff: R. Menard, Water Director; H. Luckenbach, Deputy Director/Engineering Manager; T. Goddard, Multi-Disciplinary Projects Manager; N. Dennis Principal Management Analyst; G. Rudometkin, Administrative Assistant III.

Others: Approximately 5 members of the public.

Presentation –There were no presentations.

Statements of Disqualification –There were no statements of disqualification.

Oral Communications –There were no oral communications.

Announcements –There were no announcements.

Consent Agenda

1. City Council Items Affecting Water - accept information
2. Approve Recommendation to cancel the January 5, 2015, Water Commission Meeting
3. Approve the November 3, 2014 Water Commission Minutes
4. Information Items - accept information
5. Documents for Future Meetings - accept information
6. Items Initiated by Members for Future Agendas - accept information

Commissioner A. Schiffrin moved the Consent Agenda with the edits to the language in the consent agenda that he noted regarding items 2-6. Commissioner L. Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: All

NOES: None

Commission discussed the following:

- If the Bylaws would have to be reopened in order to make the suggested changes to the consent agenda language. Staff and Commission agreed that there wasn't anything inconsistent with the Bylaws regarding the agenda, rather the edits suggested refine the process related to the consent agenda items and not the structure of the agenda.

General Business

1. System Development Charge Analysis Workshop (WT)

Presentation introduced by Water Director, R. Menard and provided by S. Gaur of Raftelis Consulting and both responded to commission questions.

Commission and staff discussed the following:

- Hypothetical scenario involving if the City moved forward with a desalination plant and there was indication that some of it would be used for new growth would it then be possible to increase the system development charge to help pay for that. Staff responded yes.
- Staff advised revisiting the system development charge on a frequent basis, potentially every five years because circumstances do change over time.
- Applicant would be charged a system development fee to buy into the system based on meter size; in the case of water demand offset program Applicant would be charged a fee based on their anticipated water use in order to make their usage neutral.
- Individuals living outside the City would pay the same system development amount as those living in the City.
- That it makes more sense to call the system development charge a connection charge.

Public Comment:

- R. Longinotti – Shared information regarding “Water-Neutral Development to Address Growth” in the form of a handout with Commissioners.
- J. Griffin – Was also under the impression this item was regarding Water-Neutral development. She found more clarity in calling the system development fee a connection fee. Other thoughts expressed regarded recycled water and the effects on the endocrine system.

Commission Feedback:

- Would like additional information regarding the funding of the system development charge since 2004, the Water Department asset list, as well as bridging the gap between the 2017-2019 CIP.
- Before this item comes back reconsider the buy in component and the growth component and if the system development charge isn't going to address growth it should be called a connection fee charge so that new development pays to

essentially compensate for all the money that has been put into the system already by existing customers.

- This fee will be reevaluated if/when a supply project is identified.
- How does this charge compares with our adjacent water districts, particularly Soquel Creek, Pajaro Valley and San Lorenzo Valley?

Subcommittee/Advisory Body Oral Reports No items.

1. WSAC Update

Commissioner D. Stearns and R. Menard Comments:

- Approaching the Real Deal, MCDS modeling, and evaluating the feedback the committee has received.
- Highlights from the last meetings included a good presentation from Mike Cloud on Hydrogeology and Water Resources in Santa Cruz County.
- Another well received presentation was given by Martha Lennihan, the City's Water Rights Attorney which covered water rights 101, status of the City's water rights and what the issues are, as well as general information.
- In addition there were a number of projects selected, about a dozen to be evaluated using the multi-criteria decision model that has been developed. The 12 projects chosen were chosen because they represent a wide range of options and the goal is to expose them to the criteria and sub-criteria to think about these items in a data driven way.
- There is work being done on the Technical Working Plan so that the committee can help guide the next phase of the work that will be done. The department will be going back to Council with the first phase of the work, the recon phase on the 27th of January along with some contractual amendments to get to the next phase of work.

Commission Comments:

- Interest expressed in having Martha Lennihan return and give her presentation to the Water Commission

Director's Oral Report No action shall be taken on this item.

1. Monthly Status of Water Supply

- Good news, the rain is helping and we are seeing increased flows in the river that are storm driven and sustained flows since the watershed is getting saturated and begins to be in a position to shed water back into the streams and rivers after the main storm events happen.
- We are looking at fairly significant rain in the next few days; at this rate we may reach our goal of 12 inches of water in the watershed before the end of December to remove penalties and we currently have just less than seven inches.
- If we reach 12 inches we will no longer be levying penalties for excess use, we will retain on the bill what people's allocations are and their information about

their usage. We will also retain the info-structure to keep rationing in place in the event that we need to reinstitute water restrictions.

- A communications plan will be put into effect to make the community aware if penalties are lifted.
- To get out of the drought we are estimating that we will need 60 inches of rain in the watershed.

Adjournment **Meeting adjourned at 8:13.** The next meeting of the Water Commission is scheduled for February 2, 2015 at 7:00 p.m. in Council Chambers.

Respectfully submitted,

Gloria
Rudometkin

Digitally signed by Gloria Rudometkin
DN: cn=Gloria Rudometkin, o=City of
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om, c=US
Date: 2014.02.10 09:12:05 -0800

Staff

Strategy #2: Water-Neutral Development to Address Growth

Growth Increases Our Drought Risk

Santa Cruz needs water policies that will allow reasonable growth to continue without eroding our water security. A City Water Department report put it this way:

“Continuing to provide water to new customers upon request, as is the current practice, may do harm to existing customers by making the potential water shortage situation worse than it would otherwise be.”¹

The report describes why growth worsens the impact of droughts:

“It is important to note that, even in normal water conditions, three of the four major sources [North Coast streams, San Lorenzo River, Live Oak wells, and Loch Lomond] are presently being utilized at maximum capacity for a significant portion of the year...What this means operationally is that any future increase in seasonal or annual demand for water will be felt through greater and greater withdrawals from Loch Lomond reservoir.”

When a system reaches the limits of its capacity, an additional strain will have an outsized impact—as in the metaphor of the straw that broke the camel’s back.

We Can Grow Without Using More Water

Water-neutral growth allows new development without increasing the total water demand on the system. Water-neutral growth is achieved by implementing a *water demand offset program*, where developers fund conservation retrofits elsewhere in the system to offset the new demand for water created by the development.

A water-demand offset program for new development encourages developers to build new buildings that are highly efficient. Developers can reduce their offset fees when they demonstrate that a building would use less water than current code requirements would otherwise indicate.

This is already working nearby. Inspired by early efforts by East Bay Municipal Utilities and San Luis Obispo County, Soquel Creek Water District has operated a water demand offset program since 2003.



¹ *Adequacy of Municipal Water Supplies to Support Future Development* (2004)

Drought Security Comes First

Soquel Creek District is revising its water-neutral growth policy and Santa Cruz can learn from their experience. District Board members pointed out the replacing toilets in the District to offset growth has only hastened the achievement of a level of efficiency that would otherwise have been achieved over time with replacement of old plumbing fixtures. Looked at in this way, new development funds short-term savings, but in the long term adds additional demand to the system. The District's serious overdraft indicates that it would have been better to replace toilets---a highly cost-effective measure---to reduce *existing demand*. Developers could fund other measures to offset growth that are truly *additional* to ratepayer-funded conservation measures.

Similarly, Santa Cruz faces a choice between allocating conservation measures to *reduce water demand by existing customers* or devote those conservation measures to neutralizing growth. The former improves the City's water security during drought, while the latter just preserves the status quo.

We argue that **drought security for existing users ought to be the top priority of City conservation programs**. Every measure that reduces water demand of existing users means more water stored in Loch Lomond in case of drought. Developers can fund additional measures to offset growth, such as enhanced rebates for landscape conversion.

Recommendation:

The City needs to prevent growth from eroding our drought security by adopting a water-neutral growth policy in which developers fund conservation programs that aren't already funded by ratepayers.

Effectiveness

The Soquel Creek Water District has found this to be an effective tool to accommodate growth while reducing the impact of growth on the water security of existing customers.

Environmental Impact

Compared to developing new water supplies, conservation has a lower environmental impact.

Practicability

For over ten years the Soquel Creek District has administered the program at a low cost.