

NOTES: Project Committee Meeting 5

Meeting Held: Nov 5, 2020

Notes prepared by: Consensus Building Institute

Meeting in Brief

The OPV project committee discussed the cost estimates associated with the projects and optimization measures, continued discussions around how surface water purchases could factor into project planning, developed draft project evaluation criteria, and progressed discussions around fallowing, the water market, and the SGMA grant program.

Action Items

- **John L** will generate language around resiliency for project criteria -done
- **Juergen, Thien** and **John** will help with debrief at 11/17 Core Group -done

Cost Updates around Optimization and Projects

- Cost estimates for optimization scenarios should be viewed as place holders (i.e. rough estimates)
- The SWI extraction barrier project cost estimate is comprehensive (i.e. includes the cost for generation of gains to sustainable yield and development of new water.)

Surface water purchase for in-lieu replenishment

- There are potentially some ways that Met users could benefit from increased reliability or resilience, which could factor into groundwater exchanges. However, these situations are often specific (party to party) so it is hard to generalize how this approach could be applied as a basin-wide solution.
- Projects that are likely to gain momentum will need to have a particular benefit for the specific parties involved and *may* have a generalized basin-wide benefit. The project committee should consider how to grapple with this particularized benefit vs. basin-wide benefit dynamic.

Additional concepts discussed include:

- Offset groundwater use by increasing surface water use, paid for by replenishment fee.
- Carry-over rules could potentially provide some flexibility: e.g., M&I actors choose to draw additional surface water to bank credits for use in future years. Of note: The system for storing and accessing stored water in the future would need to be sufficiently reliable and inspire sufficient confidence for this type of project is to generate investment.
- The wet season is potentially a good opportunity for leveraging Met water, because if there is a surplus then water might be available at a discounted price. A potential area

of opportunity could be “banking” water in the ground during the wet season, but water policy would need to accommodate that type of arrangement.

A meeting participant proposed that it might be worth studying opportunities for Oxnard to use the ASR wells to inject water and then sell on the market later. This project has not been evaluated previously, but meeting participants feel it merits consideration.

Following

- Following might need to be back on the table and for following to work as a solution it will have to be appropriately incentivized.
- Key question: Are following and the water market interchangeable?

Water Market

The water market should reward conservation and be a real option for folks who do not have access to Met water. Some meeting participants feel the regulations on carry over are too restrictive.

SGMA Grant Program

- Restrictions are challenging because of the way that DWR has structured the program, but the GMA is exploring options.
- Grants in the first round are limited to basins in critical overdraft, so submitting in the first round might make sense because there would be less competition.

Projects proposed as possible targets for the grant program:

- **AWPF expansion:** Probably not a good fit because the grant program parameters do not align well with the project e.g. project has to be completed in 3 years and AWPF expansion cost is much greater than the \$ 2-5 million available. It was also noted that benefits from the AWPF expansion will be focused first on satisfying Oxnard’s obligations. Oxnard’s business plan for the sale of recycled water should be ready in early 2021.
- **United optimization projects and / or optimization study:** Might fit the grant’s constraints but it requires further study.

General Takeaways from Project Committee’s Work to Date

- There could be value in doing more consulting of other agencies and organizations that can inform our thinking about the project options.
- There is also value in relying on and trusting in the engineers at United
- The project committee should analyze and present the baseline “cost of doing nothing” scenario along with the project scenarios.

- The folks with relevant expertise should be responsible for generating the additional detail for the projects the committee is considering.
- The Project Committee’s recommendations for projects should include projects with short-term and long-term maturations. We should organize the projects in a way that clearly communicates their timeline for coming online because this timing will have bearing on evaluating funding mechanisms, ramp down and replenishment fees.
- The committee needs to further consider how we are ranking the projects. Is the primary driver achieving sustainability or generating an acceptable supply of water based on other desired outcomes?

Project Selection Criteria (building on the evaluation criteria used by the GMA for the GSPs)

Meeting participants proposed the following additions and adjustments to the set of criteria used by the GMA for the project committee’s work going forward. (note: adjustments / additions made by the project committee are highlighted in yellow for illustrative purposes)

OPV Facilitated Process Project Committee Evaluation Checklist

Background Information

- **Project Name Description Purpose of Project:** Water supply, infrastructure, water quality, etc.
- **Project Status:**
- **Estimated Time to Project Completion:**
- **Implementation Trigger** (if applicable)
- **Groundwater Basin:**
- **Location:**
- **Basins Benefiting:**
- **Sponsoring Agency:**

Evaluation Criteria

Sustainable Yield

Annual increase in Sustainable Yield (AF/year)

Sustainability indicators addressed (subcomponent of increase in SY) Project has benefit in impacted area of basin

Does project add additional water supply? How does water generation compare to other projects (high/med/low)?

Water-supply Resilience

Strengthen resiliency and operational flexibility of existing and future infrastructure (per DWR's California Water Plan Update 2018).

Technical

Construction feasibility

Appropriateness of location

Ability to accomplish purpose

Life expectancy of project (for 50-year sustainable management modeling) Level of uncertainty

Environmental

CEQA/NEPA type and status (timing)

Will project likely be permitted? / Consistent with environmental regs Sensitivity of location

Multi-benefits?

Political

Consistent with adopted jurisdictional plans

Consistent with planning agency regulations Stakeholder support

Permitting

Permits required

Status / time required

Likelihood of project being permitted

Construction

Time-table to implement

Operation and Maintenance

Description

Funding

Total capital cost

Capital cost per AF/year produced

Annual cost

Annual O&M cost per AF

Funding source(s) - credible funding source Likelihood of project being funded

Potential / likelihood to be grant funded / state

Timeline to secure funding

Project Committee Members Present

Jared Bouchard; Kirby Brill; Alden Broome; Juergen Gramckow; Martin Gramckow, Henry Graumlich; Curtis Hopkins; Nathan Jacobsen; John Lindquist; Kim Loeb; Lucie McGovern; Thien Ng; Ian Prichard

