

From: Paul Marshall
To: Eric Solorio; Maggie Fitzgerald; Matthew Layton
CC: Chris Davis; Kevin W. Bell; Marylou Taylor
Date: 3/27/2012 3:30 PM
Subject: Re: Soil&Water-9

DOCKET	
11-AFC-1	
DATE	<u>MAR 27 2012</u>
RECD.	<u>APR 02 2012</u>

Maggie,

The condition does not require a one time payment of \$311,000. The condition requires the applicant to develop a conservation plan that, among other things identified in the list, directs the applicant to use \$1,000 per acre-foot of water use as a guide for determining how much they should contribute to a program where the water savings can't be quantified.

The condition is a proposal that staff is willing to negotiate. If \$1,000 peraf is not representative of water conservation in San Diego, then maybe we can find a reasonable number. Especially given our acknowledgment of the investment in water use reduction systems late in the project design. I think I mentioned how SDCWA is able to do good conservation for as little as \$300 to \$500 per acre foot saved. Conservation devices such as shower heads and toilets funded in some of these conservation programs can have a life that extends from 3 years to 30 years, respectively. The ongoing conservation of such devices during their life could be factored in to what might be needed for funding a conservation program that offsets project water use.

In the Marsh Landing example I gave, the project is a peaker licensed to use up to 50 afy. The owner paid \$15,000 in seed money up front and then pays \$1,000 every year based on the previous years water use. So if they use 25 afy for 30 years they pay \$750,000. Not likely though since they are licensed at 20% CF and will likely only operate at 5% CF.

If the CF for Pio Pico is 40% and this will require 311 AF, then peakers that typically operate at 5% CF would use 1/8 as much water or say 40AF. The condition suggests an amount of \$40,000 per year of potable water use would be required.

If you want to propose another condition or a simple one-time payment like \$311,000, I can take that to our management and see if it is acceptable. But please provide me some quantifiable basis for it, such as the additional capital cost you laid out for the water friendly systems. If they find it acceptable then we can write a condition that outlines the agreement and execution. I understood from the conclusion of the meeting that your engineer was going to give us an idea of what kind of cost/benefit we got from the late project design change to reduce water use so we could consider that in what kind of water conservation funding would be appropriate.

Another option would be to contact OWD and ask what projects they need funded. For

example they have a Junior College that needs recycled water connections. The pipe is there but they don't have the money for the switch. Can you propose funding that?

Hope this helps your team get an idea of the round numbers we are considering and makes it clear we are open to somewhat quantifiable counter proposals.

>>> Eric Solorio 3/27/2012 11:49 AM >>>

Matt,

Apparently there was some confusion during the workshop discussion. Can you please answer Maggie's question below? Thanks.

Eric

>>> Maggie Fitzgerald <MFitzgerald@sierraresearch.com> 3/27/2012 10:33 AM >>>

Hi Eric,

Per our discussion, can you confirm that the proposed Soil&Water-9 COC requires just a ONE-TIME payment of \$311,000 - and not annual payments for those years that the project uses potable, not recycled, water?

Thanks for your help!

Maggie

Maggie Fitzgerald

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