



## Stakeholder Advisory Committee and Subcommittee Notes & Comments

### PROJECT CRITERIA (April 2018)

- Observation: Any dry weather BMP that captures 100% of tributary flows will automatically secure at least 35 points in Section A.2, whereas only those wet weather projects with 8+ ac-ft/\$million and >75% magnitude, or with 10+ ac-ft/\$million and >50% magnitude can score more highly. CCA does not have the in-house expertise to weigh in on whether this is an acceptable outcome or not, we just want to highlight the relative competitiveness of the two water quality project types.
- When determining cost-effectiveness, make sure we're dividing *total/lifecycle* water supply benefits by lifecycle costs, not *annual* water supply benefits by lifecycle costs. The latter would disadvantage longer-lived projects.
  - Similarly, for water quality 24-hour BMP capacity, this should be divided by the [lifecycle cost divided by the expected lifespan of the infrastructure]. Since the 24-hour BMP is based on a point in time, dividing by lifecycle cost without accounting for the infrastructure's lifespan will also disadvantage longer-lived projects. It may be desirable to give preference to projects that have greater benefits in the short to medium term rather than larger total benefits over a longer term, but this should be made explicit if so.
- We do not believe that cost-effectiveness and magnitude should be given almost equal maximum points for the water supply category. (For wet weather water quality it makes more sense, based on how "magnitude" is measured for this category.) A project that is very large and extremely cost-ineffective (e.g., >500 ac-ft/yr and >\$2500/ac-ft) should not be given basically the same number of points as a project that is very small and extremely cost-effective (e.g., <25 ac-ft/yr and <\$1000/ac-ft).
- Though we had initial concerns with the amount of points allocated to Community Investment Benefits being too high given the overwhelming importance of MS4 permit compliance, we believe that this section can be viewed as two separate items: up to 10 points for projects with community investment benefits and 10 points for projects in DACs. We think this is fair, though our support is conditional on the idea that projects will not be selected based purely on a highest-points-first basis, but rather a threshold system with some discretion to choose among the projects that meet/exceed the threshold and guaranteed development of certain regional projects that are pre-identified in the ballot initiative campaign, should it proceed.
- For calculating total project cost, both for cost-effectiveness and leveraging of funds, how will things like land cost/acquisition be treated? Specifically, we're imagining a scenario where a city acquires or donates land to be used for a Regional Plan project. If the value of that land is included in the total project cost, it would likely score poorly on cost-effectiveness, which wouldn't be fair since it's wouldn't be paid for by regional revenues. Excluding the value of city-owned or donated land seems like an easy solution, but what if the city is able to pay for 80% of the land cost but needs Regional Plan support for the remaining 20%? In that case would the full land cost be included in the lifecycle cost? If so, receiving just 2 or 4 points in the "Leveraging Funds" section doesn't seem adequate, since the cost-effectiveness of the actual regional

revenues' expenditure could be quite high, but quite low if measured by total expenditures of both Regional and matching funds. As mentioned in earlier comments, the easiest solution may be to only include Regional Plan revenues in the cost-effectiveness calculations. Excluding local matching funds would achieve the same goals as the "Leveraging Funds" section, but probably in a more fair and consistent way.

- We are somewhat concerned that subsection D2 may effectively function as a 2-point boost for larger projects, which are more likely to have the resources to secure official community support or partnerships. If this section is to be retained, we believe that projects below a certain absolute cost should have a lower threshold for proving "community support," however that is defined. To that same end, we should clearly define what qualifies as community support or partnership.
- We mentioned in our earlier comments that we believe Low Flow Diversion projects should not be excluded from the regional funding plan — or should be guaranteed to be funded in some other manner if not by the regional fund — because they are extremely cost effective for both water quality and water supply benefits. We are happy to see that the Santa Ynez project was included as an example in this draft scoring plan and hope this means that the regional fund will be used to support LFD/sewer connections when they achieve our water quality and water supply goals.