

SAN DIEGO BACTERIA TMDL COST-BENEFIT ANALYSIS

Meeting Report

DATE	Wednesday, June 15, 2016 – Afternoon session only (see morning meeting notes elsewhere)
LOCATION	San Diego Water Board - Library 2375 Northside Drive, Suite 100, San Diego, CA 92108
PARTICIPANTS	Ruth Kolb, Jeff Van Every [SDCity]; Jo Ann Weber, Todd Snyder [SDCounty]; James Smith, Jeremy Haas, Cynthia Gorham, Michelle Mata, Stephanie Gaines [RWQCB]; Ken Schiff [SCCWRP], Ted Shaw [Tax], Jian Peng (OCPW); Mark Buckley [ECON]; Chad Praul, Mary-Sophia Motlow [EI]
MATERIALS	Draft Work plan (filename: SD CBA Workplan Draft 06.15.16)

Meeting Goal & Objectives: Understand the work plan so that desired economic results and data quality are provided by consultants when they deliver the CBA document.

1. Understand the work plan document structure
2. Identify content areas of interest for careful concept review
3. Agree on scope-level decisions needed and process for making them
4. Engage on details of the approach (this meeting report focuses on this objective)

DECISIONS

1. To quantify the costs and benefits of many scenarios, the consulting team expects to use existing % load reduction vs cost curve extrapolation due to schedule and cost impacts of rerunning watershed models. Existing curves and data will be sourced from Tetra Tech and other consultants that produced WQIPs for copermitees.
 - See Scenario Quantification Approach section below for details.
2. The CBA document from the consultants will provide data and findings, not recommendations. The SC is planning to write a memo with recommendations for policy changes.
3. As previously decided, the TAC session will be open to Steering Committee organizations only so that the work plan can be presented with confidence to the public after the TAC comments are incorporated.
4. Schedule: the consulting team will deliver the draft Cost Benefit Analysis document in mid December, 2016

ACTION ITEMS

ACTION	RESPONSIBLE PARTY	DUE DATE
Comment on SD CBA Workplan Draft 06.15.16 using the comment form provided via email on 6.17.16	Steering Committee members	June 24 th
Send out comment form to SC via email	Chad	Complete

KEY GROUP DISCUSSION POINTS

- **PROPERTY VALUE** – A common form of economic analysis (Hedonic) will be used to determine how property values vary based on water quality. This effect is expected to be a very small portion of property value, but the high value of property may result in a significant benefit value. Some SC members were concerned that it will be difficult to segregate WQ effects from other factors influencing property values. Additionally, public costs may have private impacts

and vice versa. For example, some BMPs may be placed on public land but impact private property values. To address this, the analysis will focus primarily on costs to the permittee. Costs analogous to benefits will be included in the analysis. Relevant private costs will be described qualitatively.

- **SCENARIO QUANTIFICATION APPROACH** - can be estimated by rerunning existing watershed models, or extrapolating existing curves. Rerunning a watershed model costs \$40-100k. Model results would only apply to scenarios where the same types of parameters and data are used. Therefore, it is probably not cost effective to use models to analyze scenarios. Translating load to benefits is ultimately what SC cares about. Existing load reduction vs cost curves are available in the CLRPs, but the data is outdated. Tetra Tech has existing load vs cost curves for the City, which are most likely to be used. An engineering spreadsheet of costs could also be used.
 - **OC Costs** - The current plan is to extrapolate costs from the City or County of San Diego to develop Orange County cost estimates. The consultant team will review the San Juan Watershed CLRP to inform cost and benefit estimates for OC.
 - **Transient community costs** - The consultant team will inquire about available data related to costs of managing transient communities with the San Diego Police Department.
 - **Exfiltration & spill effects** – It is important to estimate the effect of sewer exfiltration and magnitude of sewage spill contributions on scenarios representing attainment of the TMDL.
 - **Characterizing uncertainty** – The SC would like characterization of the relative certainty of CBA findings.
- **RESOLVING BACTERIA COST PROPORTION** - The consulting team requests ideas for proportioning programmatic costs and benefits to Bacteria vs other pollutants/requirements. This is an important choice because WQIPs attribute the bulk of load reduction to these programs, rather than structural BMPs.

6/15/16 – MEETING AGENDA

TIME	TOPIC	LEAD
9:30	Review meeting objectives & previous meeting notes	Lewis
9:45	Introduce Work Plan Structure <ul style="list-style-type: none"> ▪ Confirm scenario rankings from 6/616 	Chad
10:15	Overview crosscutting economic analyses <ul style="list-style-type: none"> ▪ Understand categories of benefits included ▪ Identify important data sources not already included 	Mark
11:15	Agree on value of scenarios and analyses relative to budget <ul style="list-style-type: none"> ▪ Understand cost ranges ▪ Rate or prioritize based on value of information 	Lewis
12:00	Adjourn for Lunch	
1:30	Discuss approach and method details	Mark
3:00	Introduce document review process <ul style="list-style-type: none"> ▪ Determine need for steps and acceptability of timeframes 	Chad
3:30	General Q&A	Jo Ann
4:00	Depart	