

## DESALINATION COSTS

# Desal or not? City seeks rate comparison

Water supply outreach program also in the works

Desalination

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SANTA CRUZ — The Santa Cruz Water Department plans to hire consultants to evaluate the city's water supply and compare the cost to ratepayers of building a seawater desalination plant as opposed to pursuing no supplemental supply project at all.

The city's Water Commission voted unanimously Monday in support of soliciting proposals from firms interested in assessing the water supply and creating a public education program. The program will be separate from an outreach initiative recently approved by the City Council that will explain a pending environmental analysis of the proposed \$125 million desal facility.



KOCHER

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The commission considered an education plan in November, but concerns about its potential to carry a pro-desal political tone shelved the effort until water officials clarified that the city is legally protected by state law to offer impartial facts about a project. They argue the public should fully understand supply challenges — largely the vulnerability to drought and mandated cutbacks in river and stream diversions for fish habitat — independent of desal or alternatives pressed by opponents.

"There has just been a lot of confusion on where we are with the water situation," Water Director Bill Kocher said Tuesday. "What this effort is designed to do is engage the public ... and help people understand what their water system is."

But the commission's chair, Andy Schiffrin, argued the city will have a difficult time discussing its supply problems outside the context of desal, which is designed to produce up to 2.5 million gallons of new water each day during dry periods. The water system is capable of producing more than 4 billion gallons annually in wet years but far less in dry.

"In the end, a lack of reliability is the reason the city is pursuing a desal plant," Schiffrin said. "It's important that those things be integrated."

The Water Department expects the cost of a supply outreach effort will cost \$50,000 to \$150,000. The exact cost and scope of work will be narrowed once potential consultants have applied for the job.

On the financial study, which also received a unanimous nod from the commission, the Water Department already has selected Pasadena-based Raftelis Financial Consultants to evaluate the increase in water rates caused by building and operating the desal plant compared to severe rationing during drought in its absence. Kocher said the firm's fee is being

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negotiated.

Schiffrin expressed concern about whether the department also would produce financial estimates for alternatives raised by desal opponents, which include regional water trans-

fers, increased storage and greater conservation. While those alternatives may be discussed in the environmental report, Kocher said Tuesday he has no plans to define costs related to them because he doesn't see them as viable alternatives. He said he would define the costs if the commission made a request.

The Sentinel reported in its "Deconstructing Desal" series in September

2012 that rates for single-family customers with average water use could increase 47 percent during the next 10 years to pay for desal and a host of capital improvement projects. The exact impact of the desal plant alone would depend on how it is financed and constructed.

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