Stakeholder Driven Water Resources Management, Pajaro Valley Groundwater Basin

Santa Cruz Mid-County Groundwater Sustainability Plan Advisory Committee

December 12, 2018

Brian Lockwood, PG, CHg General Manager



Presentation Overview

- Acknowledgements
- Background
- SGMA
- Basin Management Planning
- Funding Management Activities
- Summary



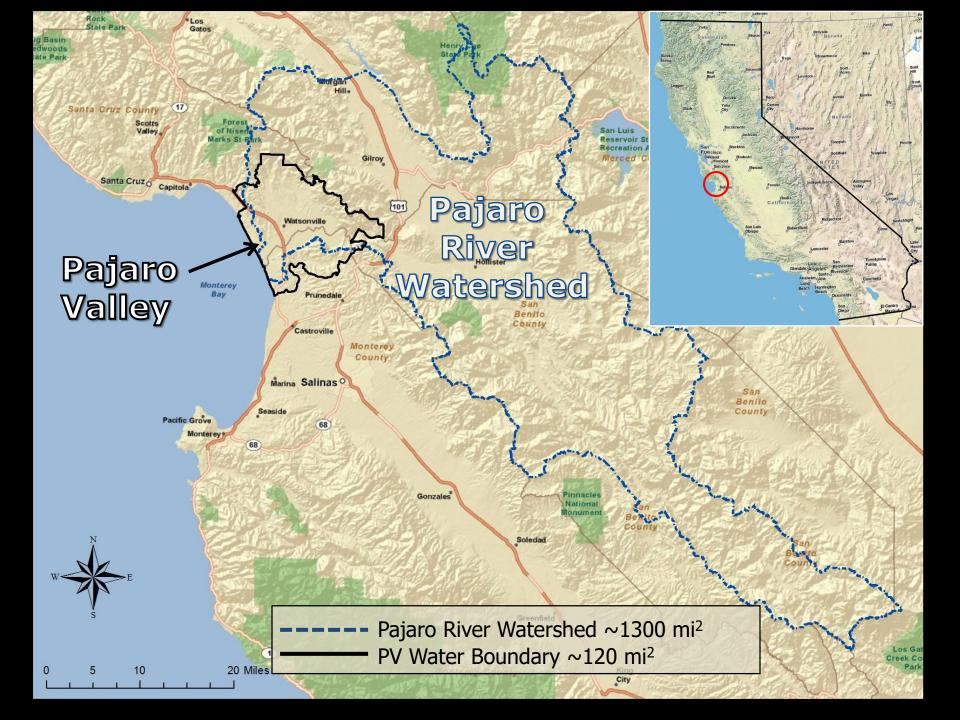


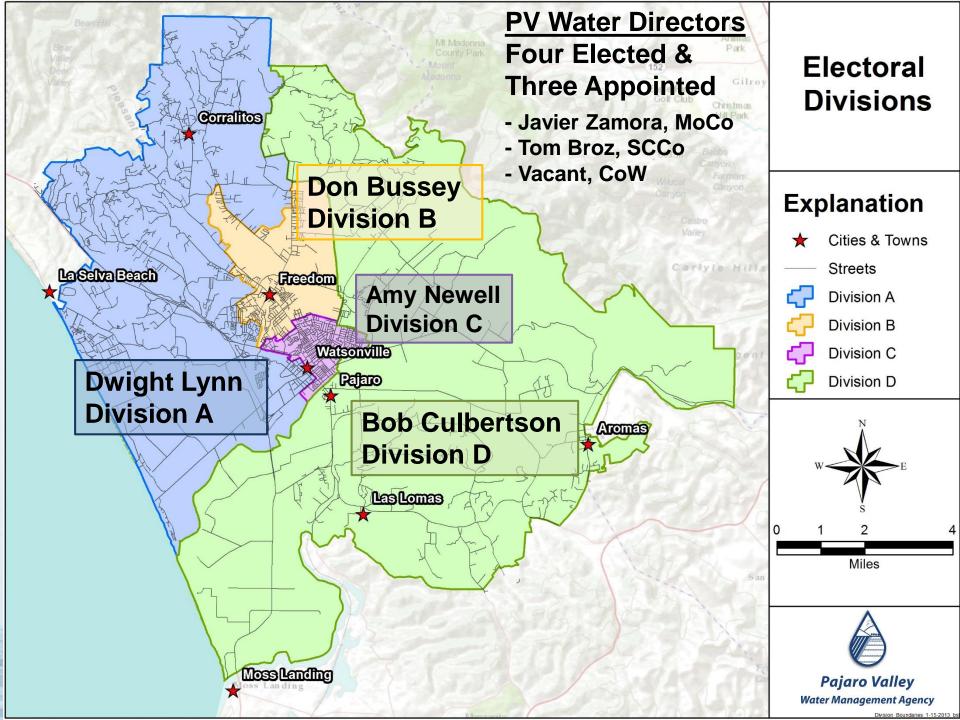
Pajaro Valley Water Management Agency

- Formed by the CA State Legislature in 1984 – "Agency Act"
- Our Job: Achieve Sustainable Groundwater Resources
- Multi-jurisdictional: City of Watsonville, parts of Santa Cruz, Monterey and San Benito Counties
- Basin Management Planning, Well Metering, Hydrologic Modeling, Supplemental Water, Conservation





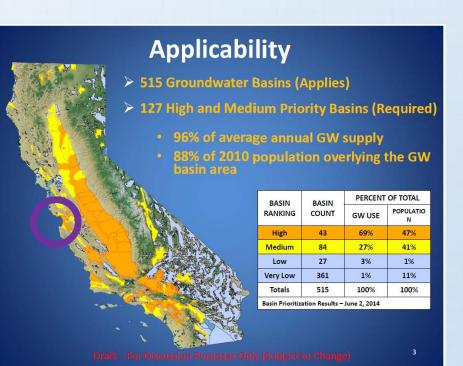




Sustainable Groundwater Management Act

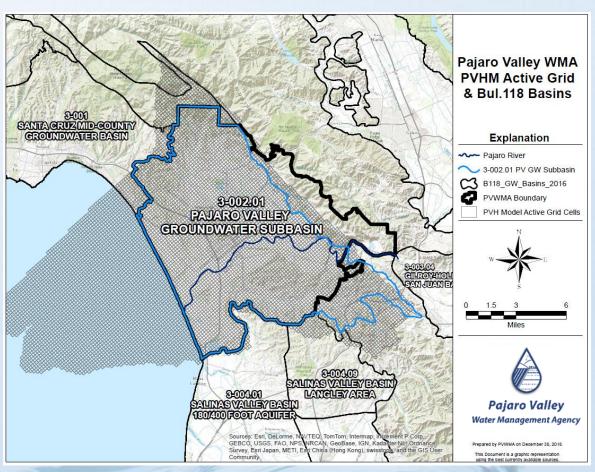
Sustainable Groundwater Management Act

- The Sustainable Groundwater Management Act or SGMA (September 2014) requires that high priority, critically overdrafted groundwater basins such as the Pajaro Valley be brought into balance by 2040.
- If not, the State Water Resources Control Board may intervene and may impose pumping restrictions.

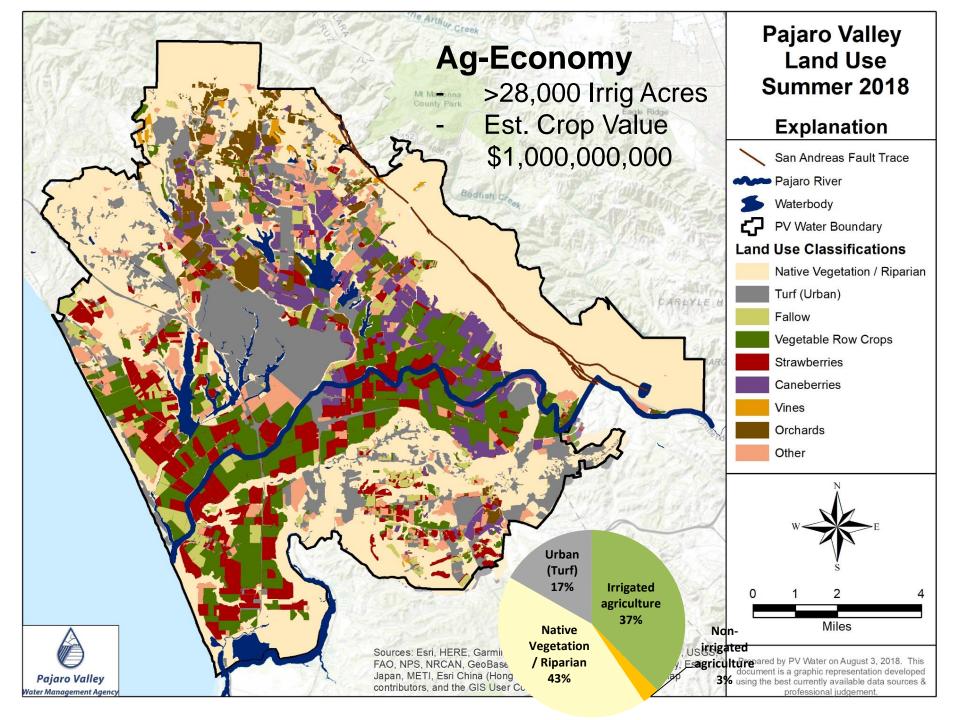


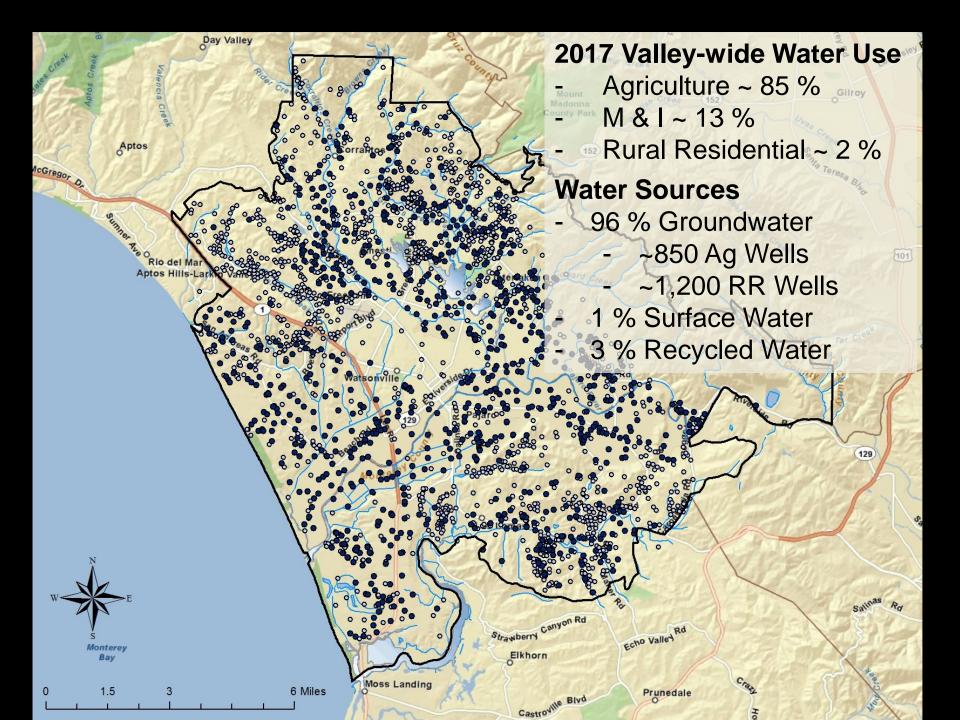
Pajaro Valley Water & SGMA

- PV Water Est. 1984
- Basin Management Plans (aka Groundwater Sustainability Plan???) in 1999, 2002, 2014
- SGMA Adopted, Fall 2014
- Groundwater Sustainability Agency, Fall 2015
- Basin Boundary Modification, Spring 2016
- Groundwater Sustainability Plan - Alternative Submittal, Winter 2016
- Prop. 1 Sustainable Groundwater Planning Grant
 \$1.5 million, Spring 2018, pending Alternative



State of the Basin



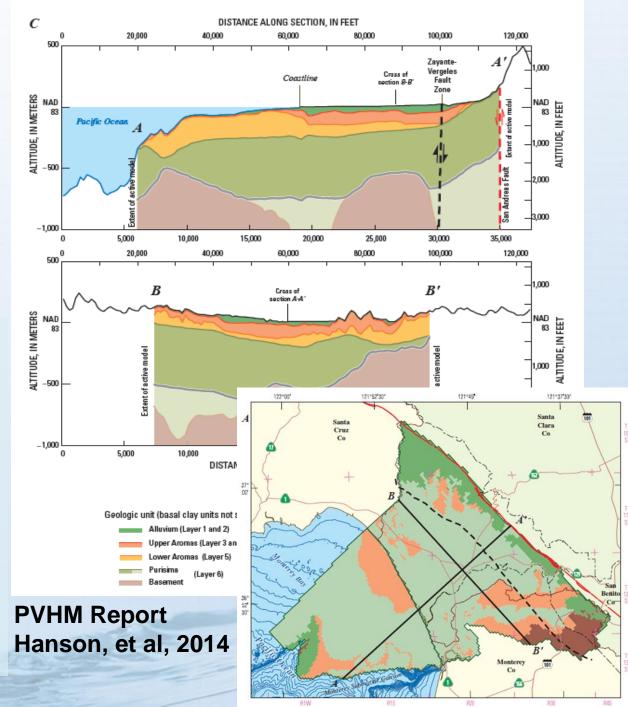


Pajaro Valley Aquifer System

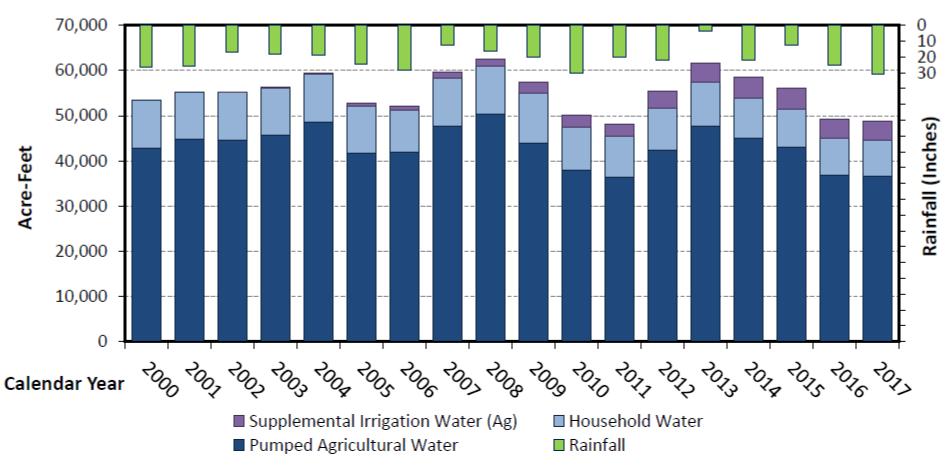
<u>Six Model</u>

Layers:

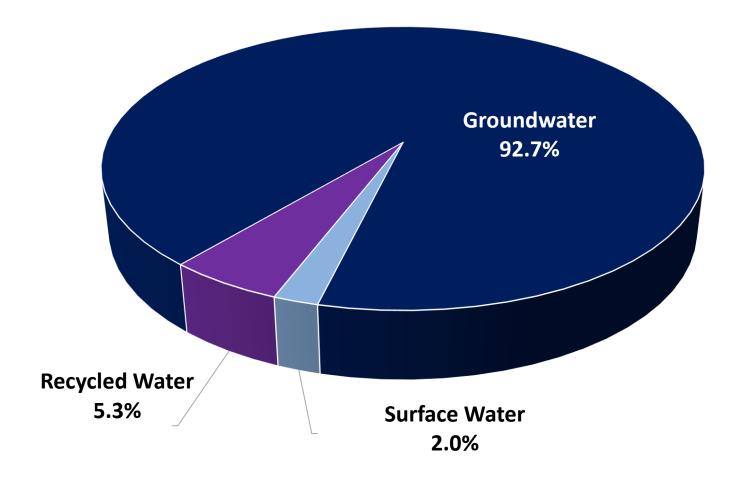
- •Alluvium
- •Alluvial Confining Unit
- Upper Aromas
- •Aromas Confining Unit
- Lower Aromas
- Purisima

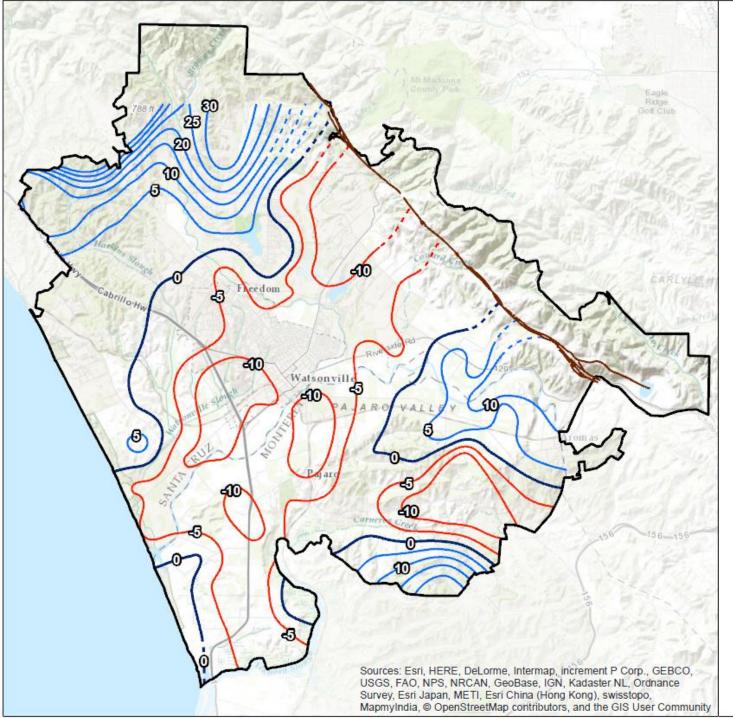


Water Use and Precipitation Trends Pajaro Valley 2000 - 2017



Pajaro Valley Water Sources 49,445 acre-feet of water use in 2017



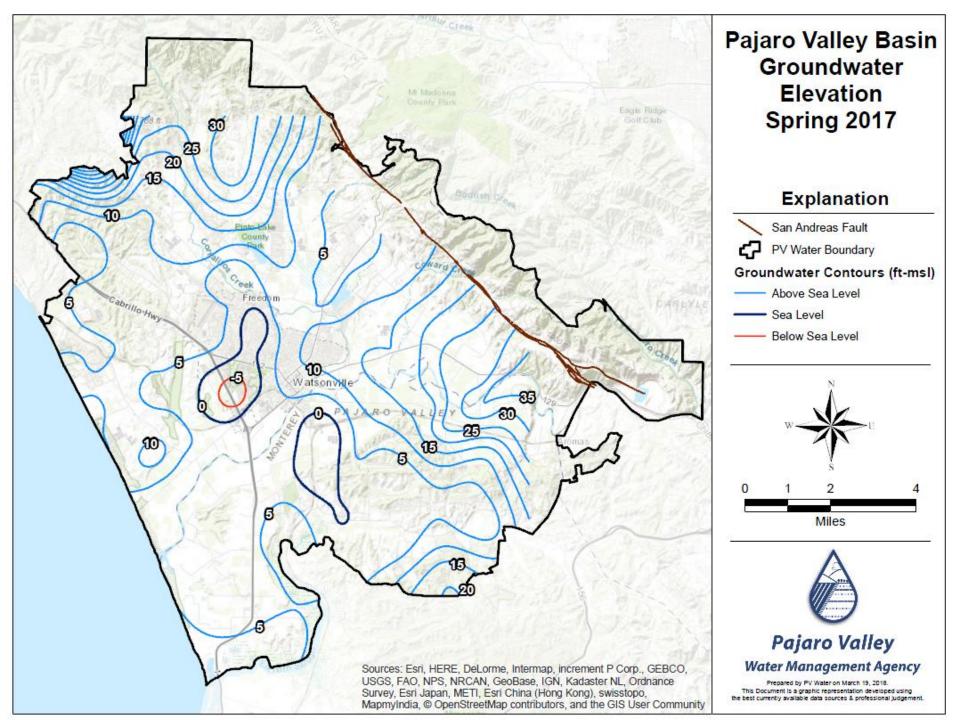


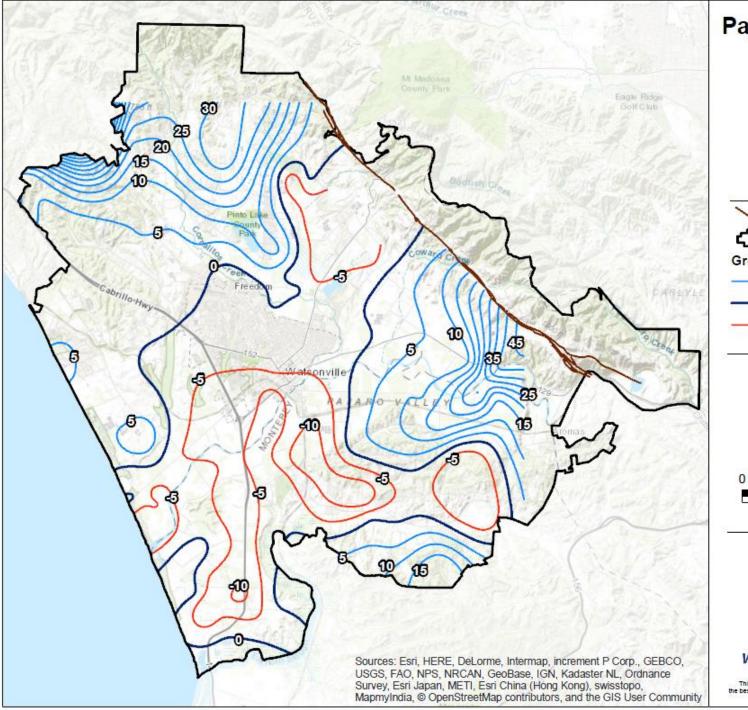
Pajaro Basin Groundwater Elevation Fall 2016 Explanation San Andreas Fault **PVWMA Boundary** ረጉ Groundwater Contours (ft-msl) Above Sea Level Sea Level Below Sea Level Miles

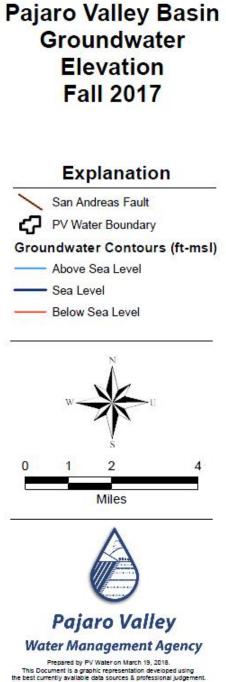


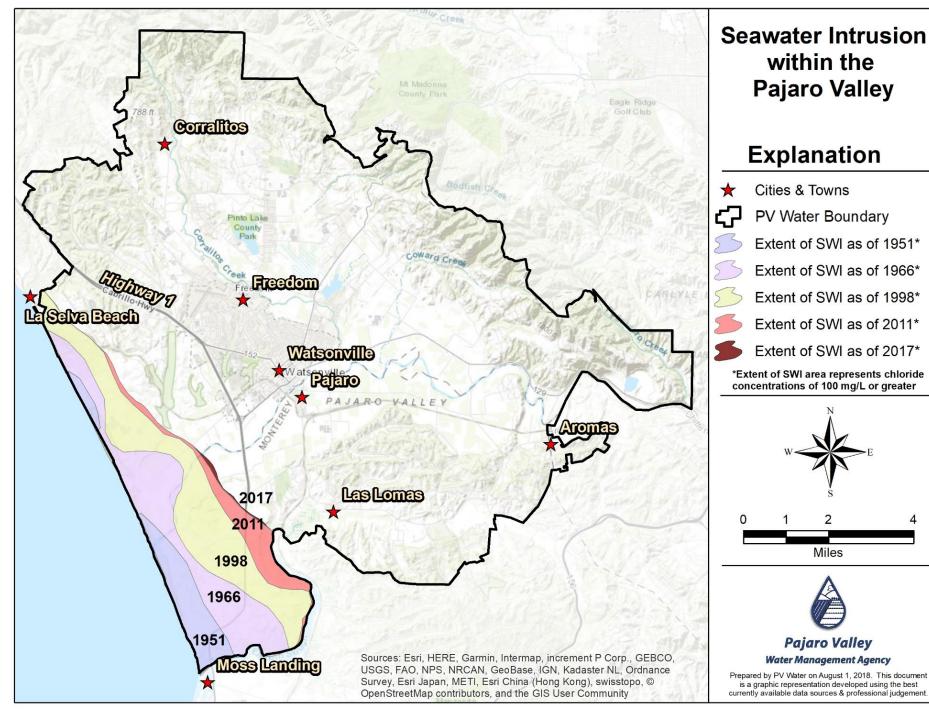
Water Management Agency

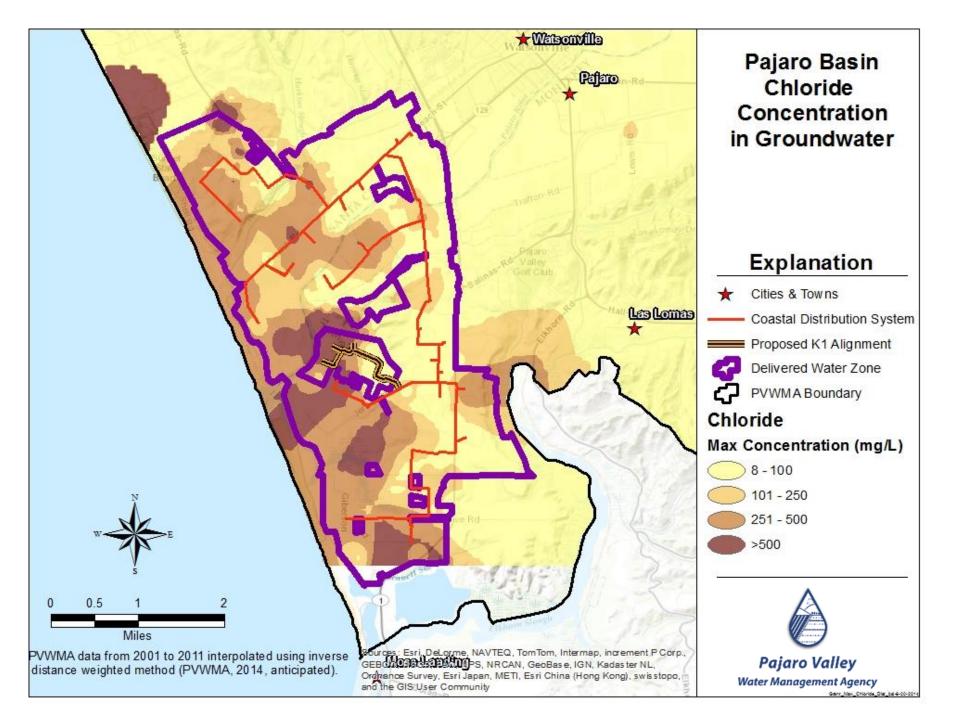
Prepared by PVIWMA on March 24, 2017. This Document is a graphic representation developed using the best currently available data sources & professional judgement.



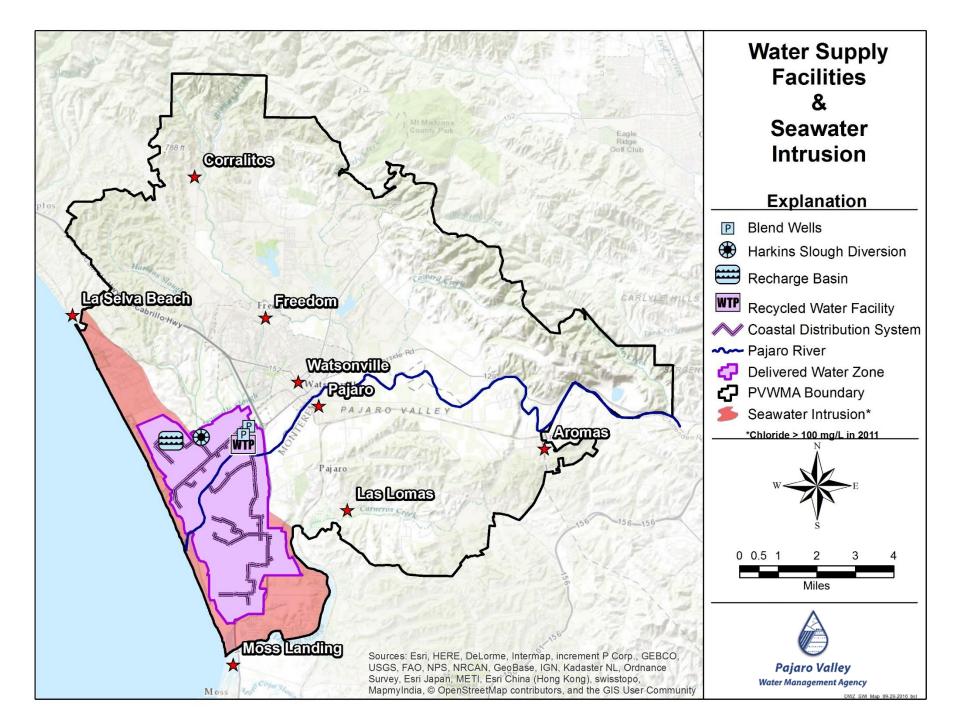




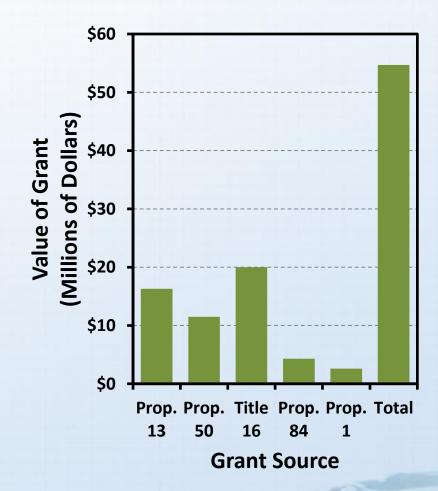




Existing Water Supply Facilities



Grants to Fund Water Supply Projects



- Approximately half of constructed project costs were funded through grants
- PV Water projects, which focus on water conservation and optimize use of local resources, are competitive for federal and state funding

Existing Water Supply Facilities to Reduce Overdraft & Seawater Intrusion

Harkins Slough Facility

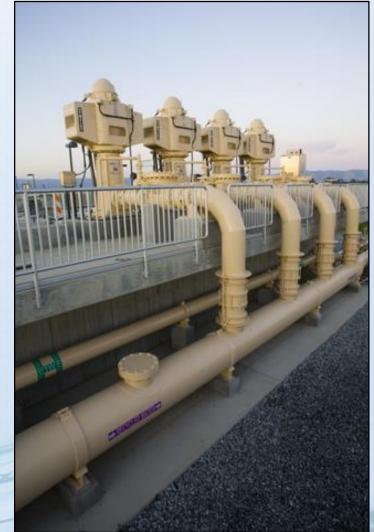
- Managed Aquifer Recharge & Recovery
- Stream flow diversion
- 8,000 AF recharged since 2002

Recycled Water Facility

- 4,000 AFY irrigation season capacity
- Drought tolerant supply
- Reduces discharge of secondary effluent to marine sanctuary

Coastal Distribution System

- Over 21 miles of water conveyance pipeline
- **Blend Supplies**



Harkins Slough Managed Aquifer Recharge & Recovery

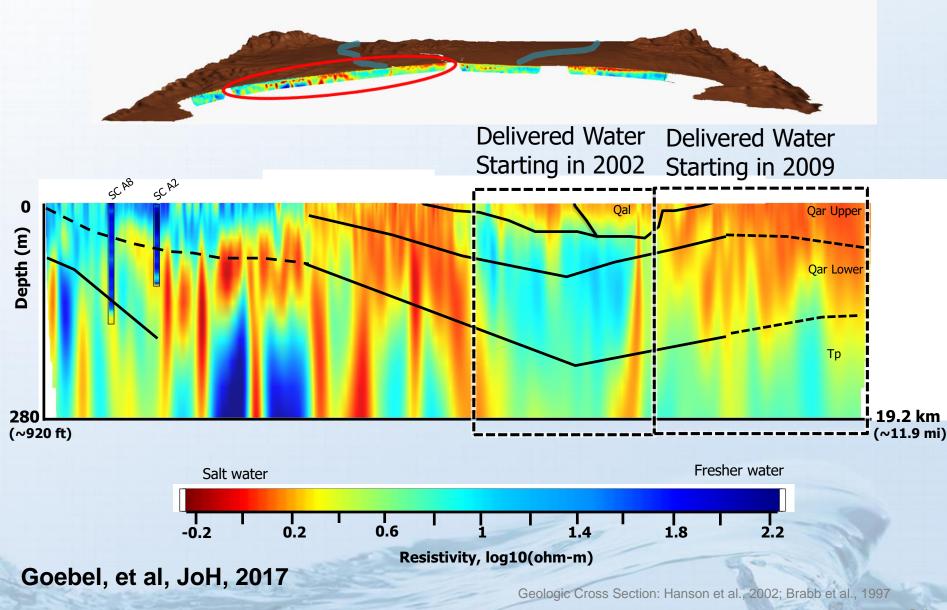
Recycled Water Facility



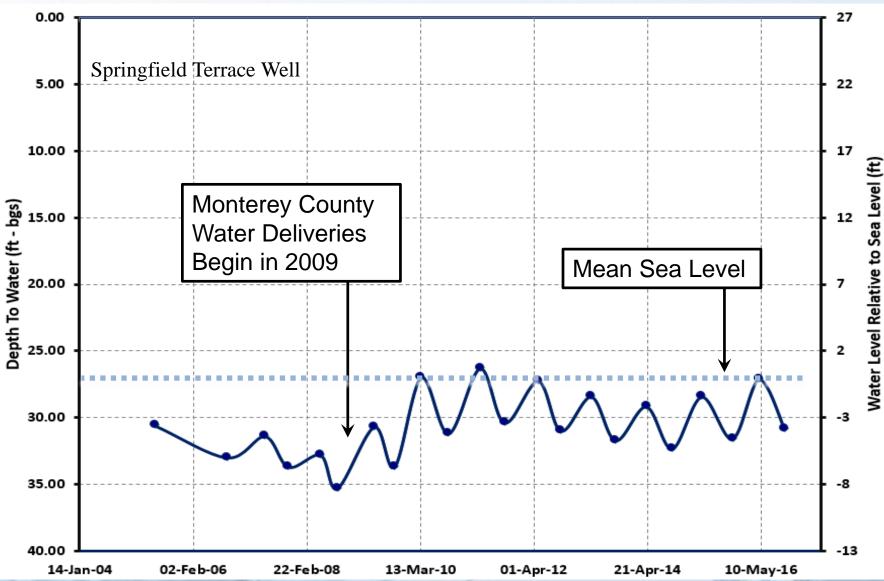




Geophysics Illustrates Progress



Increasing groundwater elevations to prevent seawater intrusion

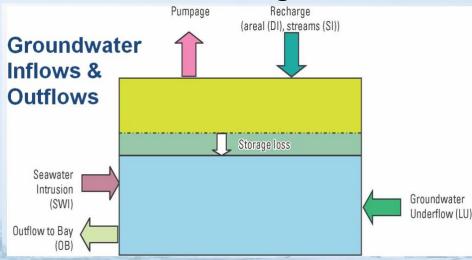


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Water Supply Facilities

Pajaro Valley Hydrologic Model

- A hydrologic flow model to guide water management decisions
- Designed to reproduce all natural & human components of the hydrologic system, and related climatic factors
- Management & planning tool
- Offset in water budget: 12,100 AFY





Prepared in cooperation with the Pajaro Valley Water Management Agency

Integrated Hydrologic Model of Pajaro Valley, Santa Cruz and Monterey Counties, California



Scientific Investigations Report 2014–5111

U.S. Department of the Interior U.S. Geological Survey

Basin Management Planning Update

In 2010 the PV Water Board established an Ad Hoc Basin Management Plan Committee to...

"investigate all practical projects and programs that contribute to the efficient and economical management of existing and supplemental water supplies" and "serve as an advisory committee to the PV Water Board so that Board decisions are fully informed and affected and guided by the community's interests".





Pajaro Valley Water Management Agency

Basin Management Plan Update

Final • February 2014



Ad Hoc BMP Committee Members

Committee Member	Member Type	Representative Entity
Dave Cavanaugh (Chair)	Appointed	Pajaro Valley Water Management Agency
Kirk Schmidt (Vice Chair)	Appointed	Agricultural
Rosemarie Imazio	Appointed	Pajaro Valley Water Management Agency
Rich Persoff	Appointed	Pajaro Valley Water Management Agency
John Ricker	Appointed	County of Santa Cruz
Ryan Kelly	Appointed	County of Monterey
Steve Palmisano	Appointed	City of Watsonville
Harry Wiggins	Appointed	Pajaro Sunny Mesa Community Services District
John E. Eiskamp	Appointed	Santa Cruz County Farm Bureau
Dave Kegebein	Appointed	Monterey County Farm Bureau
John Martinelli	Appointed	Landowner Group
Chuck Allen	Appointed	Community Dialogue Effort
Vicki Morris	Appointed	Aromas Water District
Ron Duncan	Appointed	At Large
Thomas Karn	Applicant	Rural Residential
Bob Culbertson	Applicant	Environmental
Amy Newell	Applicant	At Large
Skip Fehr	Applicant	Mutual Water Agency
Stuart Kitayama	Appointed	Agricultural
Frank Capurro	Appointed	Agricultural
Tom Rider	Appointed	Agricultural

BMP Update Objectives

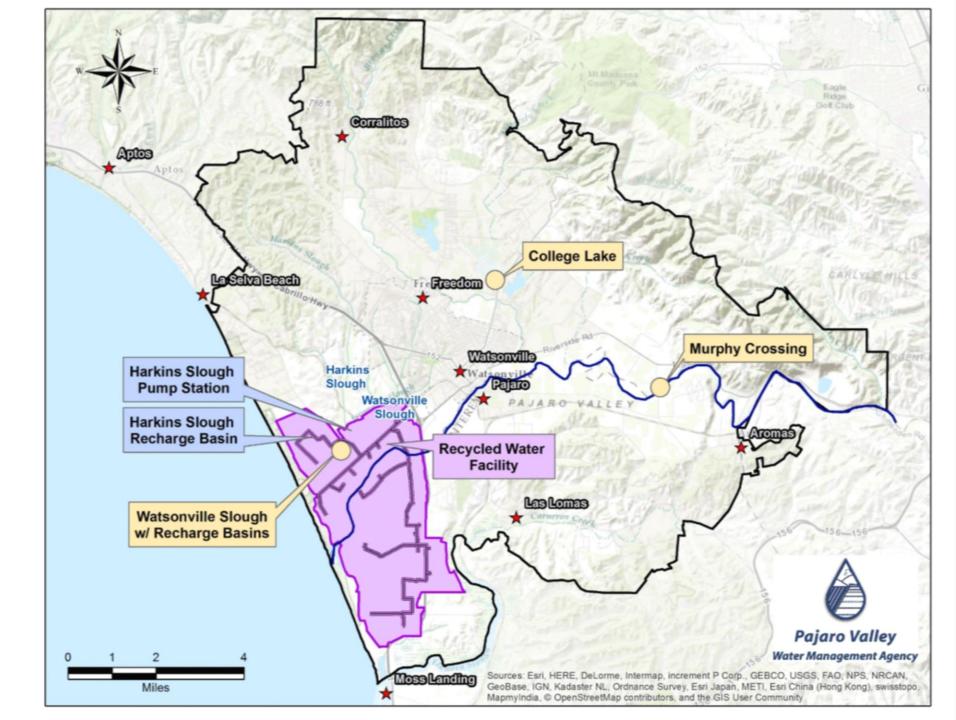
- Prevent seawater intrusion, long-term groundwater overdraft, land subsidence, and water quality degradation;
- Manage existing and supplemental water supplies to control overdraft and to provide for present and future water needs;
- Create a reliable, long-term water supply, which has been identified as an important cornerstone of the long-term economic vitality of the Pajaro Valley;
- Develop water conservation programs; and
- Recommend a program that is cost effective and environmentally sound.

Basin Management Plan Update contains three primary components to achieve 12,100 ac-ft/yr

Develop new water supplies *4,100 AFY*

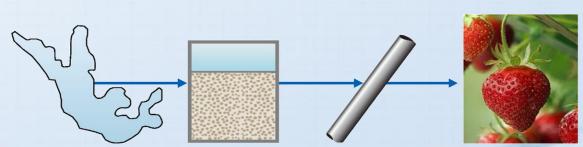
Conservation 5,000 AFY

Optimize the use of existing water supplies *3,000 AFY*

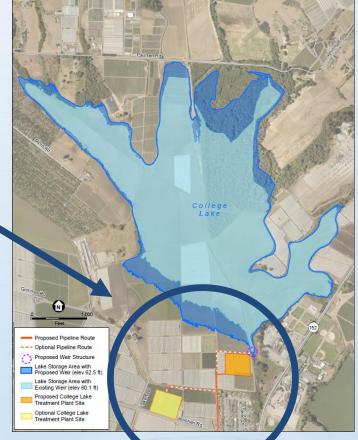


Proposed College Lake Integrated Resources Management Project

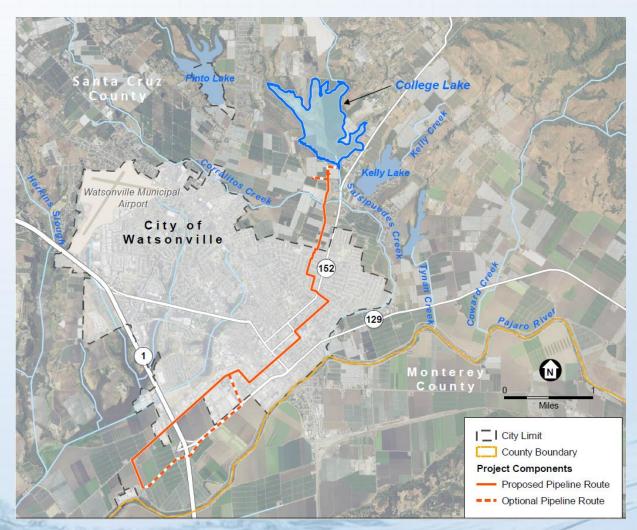
- Projected Yield: 1,800 to 2,400 AFY
- Water Storage Area (285 acres, 1764 AF)
- Weir Structure, Screened Intake, and Pump Station
- Water Treatment Plant (~5 acres)
- Pipeline (5.5 miles)



Source Treatment Conveyance End Users



Proposed Pipeline Alignment



- Connects College Lake to CDS and recycled water facilities at Watsonville WWTP.
- Serve agricultural uses along route.

Recharge Net Metering Pilot Program

- Provides financial incentive to landowners to capture and recharge surface water runoff (> 100 AF)
- Will improve aquifer conditions (quantity & quality)
- Diversifies groundwater recharge opportunities
- 5-year pilot program
- Collaborative effort between the PV Water, UC Santa Cruz, Resource Conservation District of Santa Cruz, & Landowners



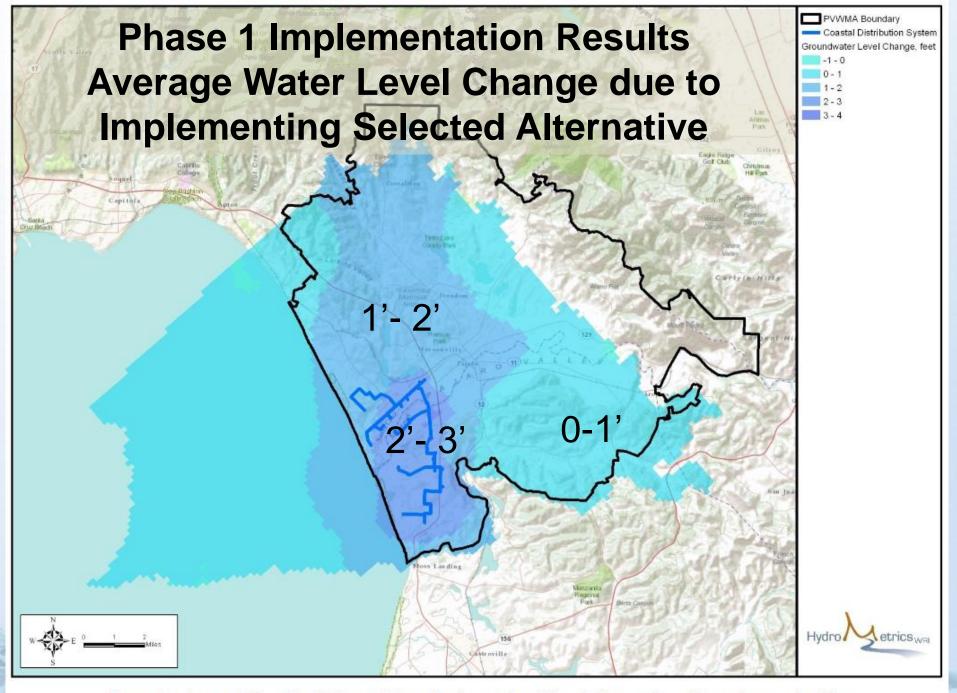


Figure 13: Average Water Level Change Due to Implementing Selected Alternative – Upper Aromas Aquifer

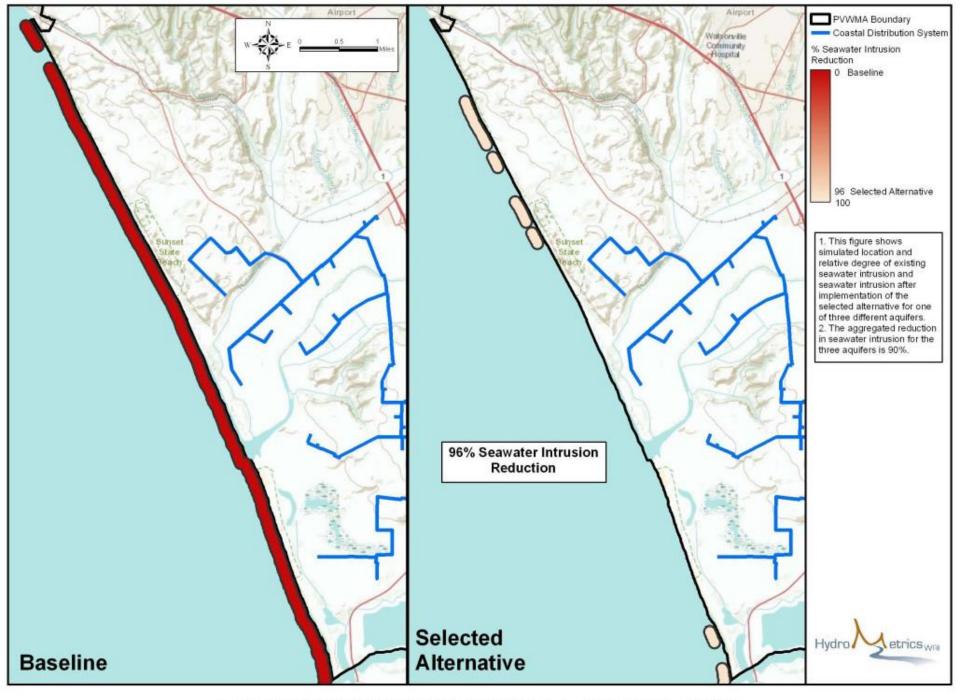
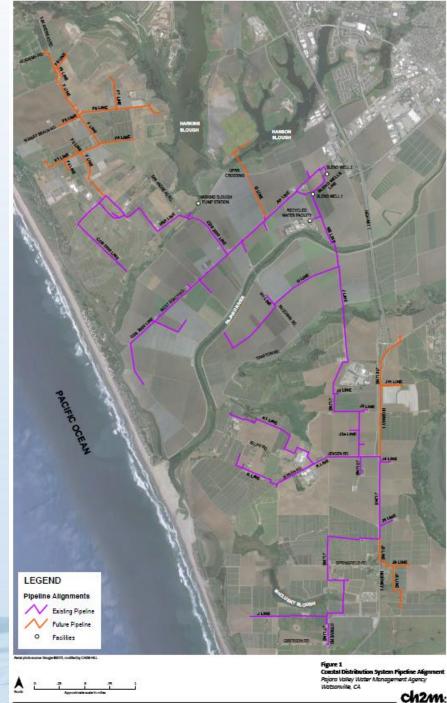


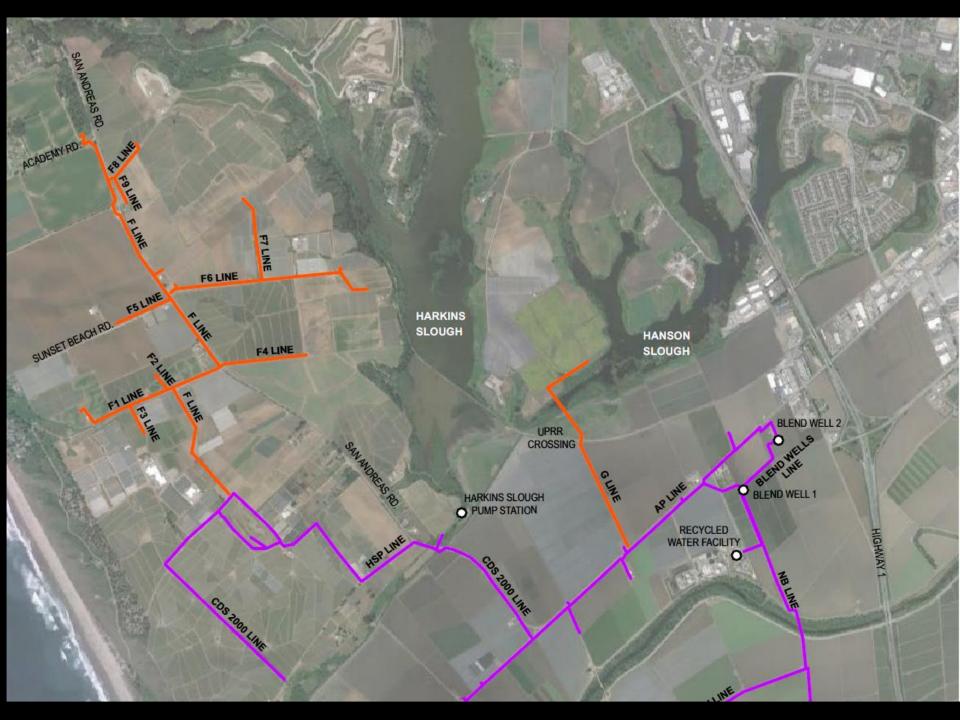
Figure 10: Extent of Simulated Seawater Intrusion – Upper Aromas Aquifer

Future Expansion of Delivered Water Service Area



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TURKTONED Read Preforming over 14 at sound 12/12/14



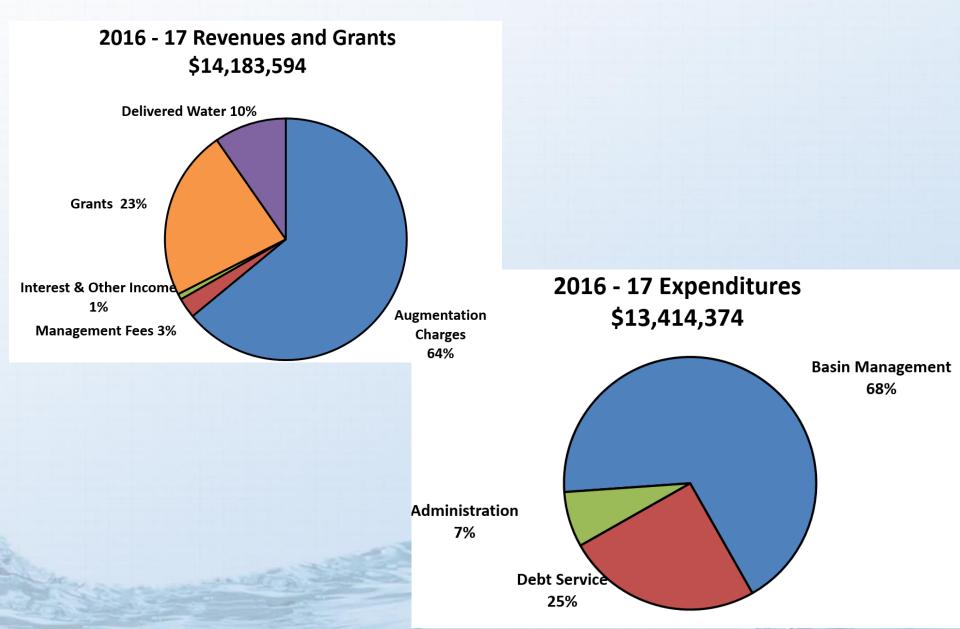
Committee Choice: Stop Here

-or-

Discuss Funding of Projects & Programs

Funding Future Projects & Programs

Revenues and Expenditures, FY16-17



Formation of a Funding Committee provided critical input in the developments of recommendations

- Committee was comprised of 15 members
- 14 meetings held from June '13 through July '14
- Cost of Service Analysis (required per Proposition 218) performed in two phases:

Phase I: Rate Setting Methodology & Development

Evaluation of available cost recovery mechanisms (i.e., Uniform Rates, Tiered Rates, Assessments)

Phase II: Rate Calculation & Implementation

Calculation of rate structure to support ongoing and forecasted expenditures

Updated Proposition 218 Service Charge Report supports new funding needs

2010 Report

Funded:

- Agency Administration
- Special Fund Admin
- Facility Operations
- Basin Management Planning
- Capital Projects
- Debt Service

Sunset clause limited duration – 5 years (2010 – 2015)

2015 Report

Builds from 2010 Report and adds funding for:

- BMP Projects & Programs
- Additional Staffing needs
- Restructuring of existing debt

Builds on Pendry-Griffith Lawsuit Gives more consideration to

conservation

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The Cost of Service process was specific to the Agency's budget and services

STEP 2 STEP 1 STEP 3 **Rate Structure Cost of Service Analysis Policy Review** Design Budget **Functional** Reserve Policies • Outside DWZ Categories Categories - Metered Debt Funding Administration - Unmetered • Sunset Analysis Augmentation Charge • Operations • Inside DWZ • Harkins Slough Inside DWZ • Met.+ Zone Fee • CDS Delivered Water Revenue Delivered Water • Suppl. Wells (DWS) •Rural Residential **Requirements** • Recycled Water Metering • Operations and • Rural Maintenance • Basin Mgmt. Plan • Capital Capital Debt Service R&R Reserves

Pajaro Valley Water Management Agency Interactive Tiered Rate Analysis

Part I - Inputs & Assumptions FOR ILLUSTRATIVE PURPOSES ONLY

Click here to View Rate Impacts.

This is an interactive sheet that enables the user to "Design" various Tiered Rates. By modifying the User Inputs (orange cells), a user can change the number of tiers, acre-feet/acre tier allotments, Tier price differential (rate mutliplier), and conservation assumptions. Based on these inputs, rates are calculated and illustrated for both Tiered and Uniform structures.

<-- Represent User Input/Assumptions. Modify to change rate structure results. Input

* Please note, inputs from "Rate Impacts" impact shown results.

Figure 4: Rate Impact Tiered vs. Uniform Rate

-21%

-19%

-9%

3%

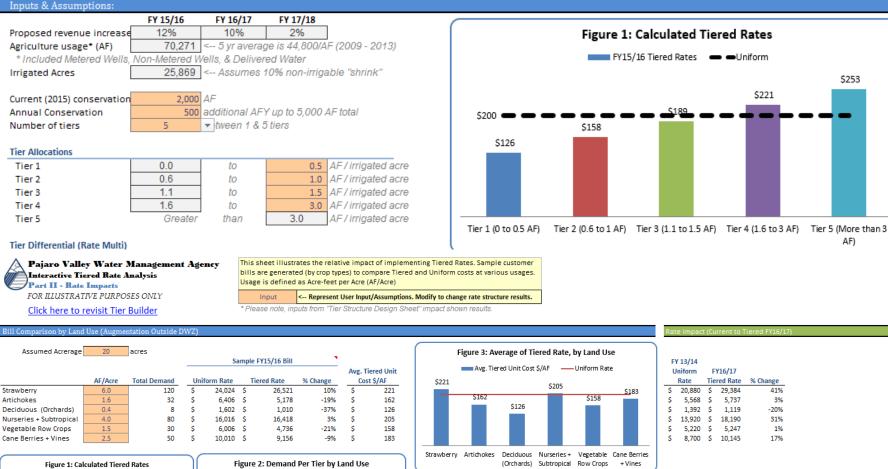
10%

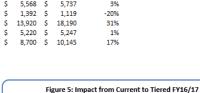
Cane Berries + Vines

Vegetable Row Crops

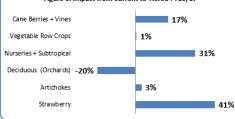
Artichokes

Strawberry





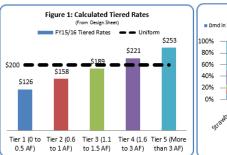
\$221

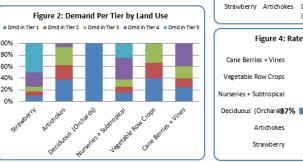


\$253

AF)

Strawberry Artichokes Deciduous (Orchards) Nurseries + Subtropical Vegetable Row Crops





U	Iniform	F	Y16/17	
	Rate	Tie	red Rate	% Change
\$	20,880	\$	29,384	41%
\$	5,568	\$	5,737	3%
\$	1,392	\$	1,119	-20%
\$	13,920	\$	18,190	31%
\$	5,220	\$	5,247	1%
\$	8,700	\$	10,145	17%

Uniform Rate Tool

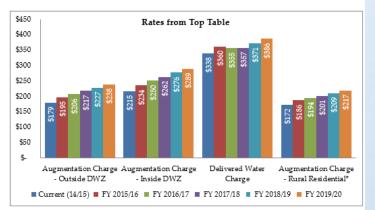
Pajaro Valley Water Management Agency

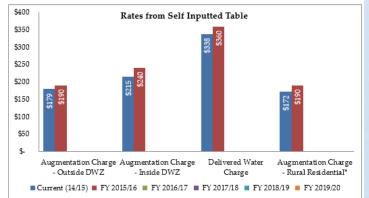
Water Financial & Rate Model

DRAFT Rate Calculation	Revenue D Revenue Require Rate Rev	ment	S. S.	11,810,030 11,810,030	se se	12,278,526 12,276,526		12, 761, 449 12, 751, 449	S. S.	13,265,526 13,265,526		13, 789,514 13, 789,514	Difference -
Summary Table													
	Curre (14/1		F	Y 2015/16	F	Y 2016/17	F	Y 2017/18	F	Y 2018/19	F	Y 2019/20	5-yr Impact
Augmentation Charge - Outside DWZ	\$	179	\$	195	\$	206	\$	217	\$	227	\$	238	33%
						050						289	34%
Augmentation Charge - Inside DWZ	\$	215	\$	234	\$	250	\$	262	\$	276	\$	203	347.
Augmentation Charge - Inside DW2 Delivered Water Charge	\$ \$	215 338	-	234 360		250 355		262 357		276 371		205	347. 14%

Proposed Revenue Increase													
Rate Calculations	Curre	ent	F	Y 2015/16	F	Y 2016/17	F	Y 2017/18	F	Y 2018/19	F	Y 2019/20	
Cost of Metered Water Users Service (Cost Allocation)			\$	9,444,268	\$	9,817,317	\$	10,205,101	\$	10,608,202	\$	11,027,226	\$lpr
Metered Water User Consumption													Filyr
Metered Rate	\$	Th	is sp	preadsheet	t de	etails how t	he	specific rat	tes	are derive	d b	y dividing	VAF
Annual % Change		tł	ne re	esulting co	sts	of service a	allo	ocations by	for	ecasted co	nsı	umption.	
Cost of Additional DWZ Metered Service		_									_		llar -
Metered Water Consumption DWZ		For	inte	raction pu	rpc	oses, either	th	e Cost Allo	cati	ion or the	CO	nsumption	Filyr
Additional Supplemental Service	\$	am	oun	ts can be r	noc	dified. The	Re	venue Che	ck v	vill calculat	te t	the impact	VAF
Annual.% Change		be	etwe					ent and the			ate	revenue	
Cost of Unmetered Water Users Service				(bas	ed	on the des	ign	ned rate * c	ons	sumption).			Yor
Unmetered Accounts (Rural Residential)													acounts
Unmetered Rate	\$	Add	litio	nally, the S	ielf	Inputted F	Rat	es section a	allo	ws users to	o si	imply input	VAF
Annual % Change								esulting rev					
Cost of Delivered Water Service			this	utilizes th	e tł	ne same <mark>co</mark>	nsi	umption ar	noı	ints from t	he	above.	ljur -
Delivered Water Consumption													Filyr
Delivered Water Rate	\$	338	\$	360	\$	355	\$	357	\$	371	\$	386	\$14F
Annual % Change				6.57%		-1433		-0,95%		3,95%		3,95%	
Price Differentials from Above	Curre	ent	F	Y 2015/16	F	Y 2016/17	F	Y 2017/18	F	Y 2018/19	F	FY 2019/20	Averag
Inside vs Outside Augmentation Charge	\$	36	\$	39	\$	44	\$	45	\$	49	\$	51	
Delivered Water Service vs Inside	\$	123	\$	126	\$	105	\$	95	\$	95	\$	97	
Outside vs Rural	\$	7	\$	9	\$	12	\$	16	\$	18	\$	21	

Self Inputted Rates	Current	FY	2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Augmentation Charge - Outside DWZ	\$ 179	\$	190				
Augmentation Charge – Inside DWZ	\$ 215	\$	240	То	Be	Inputted	
Delivered Water Charge	\$ 338	\$	360				
Augmentation Charge - Rural Residential*	\$ 172	\$	190				





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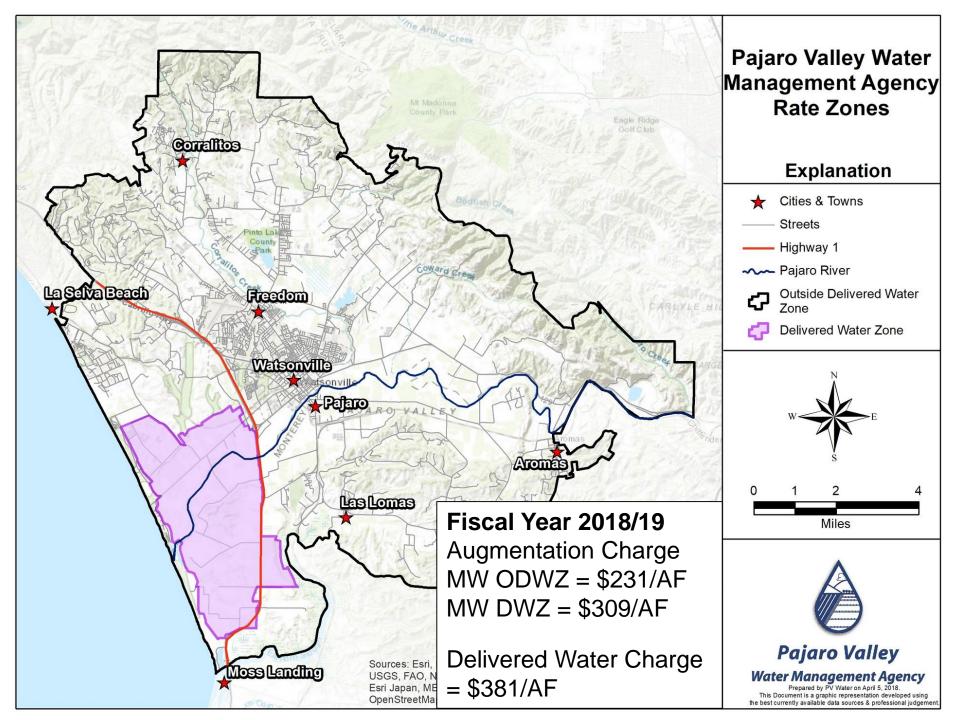
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Rates fund projects and programs that protect our water resources

User Group	Rates FY 2018/19	Rates FY 2019/20
Augmentation Charge, Metered Users - Outside Delivered Water Service Area	\$231/AF	\$246/AF
Augmentation Charge, Metered Users - Inside Delivered Water Service Area	\$309/AF	\$338/AF
Augmentation Charge, Unmetered ¹ –	\$109/Year	\$115/Year
(Rural Residents)	per Residence	per Residence
Delivered Water Charge	\$381/AF	\$392/AF

Note: 1. Unmetered Customers are charged for an estimated annual consumption of 0.5 AF per year for each known residence connected to an unmetered well.



Summary

- Stakeholder involvement through committees has been a critical component of recent successes.
- Providing tools to committee members has been very useful in improving understanding and building trust.
- Public outreach to the broader community is also very important. Board meetings tend to not be well attended.



Thank You...

By phone: 831-722-9292 By email: lockwood@pvwater.org Or visit our website: pvwater.org

