

Groundwater is a vital resource, together let's protect it.

midcountygroundwater.org • 5180 Soquel Drive • Soquel, CA 95073

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY Board of Directors Remote-Access Special Meeting Thursday, August 18, 2022 at 6:00 p.m.

Meeting held remotely in compliance with Assemble Bill 361

Webcast (audio and video)

https://us06web.zoom.us/j/83309490698?pwd=OGhBRzhFMm11MzBqQ3FWanp5QWtMUT09

To dial in by phone:

+1 720 707 2699 US (Denver)

Find your local number: https://us06web.zoom.us/u/kCnu2MC22

Meeting ID: 833 0949 0698 Passcode: 497496

AGENDA

- 1. Call to Order
- 2. Roll Call
- 3. Oral Communications Related to Items Not on the Agenda

Issues within the purview of the Santa Cruz Mid-County Groundwater Agency (MGA). Guidelines attached.

- 4. Consent Agenda (Page 4)
 - 4.1 Approve Minutes of June 16, 2022 Board Meeting
- 5. General Business (Page 9)
 - 5.1 Consider Board Resolution No. 22-03 to Authorize Remote Meeting
 - 5.2 Approve MGA Response to Santa Cruz Civil Grand Jury Report
 - 5.3 Provide Guidance for Process to Respond to Well Permit Applications Under Governor's Executive Order N-7-22
- 5. Informational Updates

Santa Cruz Mid-County Groundwater Agency Board Special Meeting Agenda – August 18, 2022 Page 2 of 2

- 6. Future Agenda Items
- 8. Written Communications and Submitted Materials

Next Board Meeting: September 15, 2022

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GUIDANCE FOR ORAL AND WRITTEN COMMUNICATIONS AND DISABILITY ACCESS

ORAL COMMUNICATIONS

MGA Board meeting agendas set aside time for oral communications regarding items not on the agenda but within the purview of the MGA. Oral communications are also heard during the consideration of an agenda item.

Anyone wishing to provide public comment should come to the front of the room to be recognized by the Board Chair. Individual comments are limited to three (3) minutes; a maximum time of 15 minutes is set aside each time for oral communications. The time limits may be increased or decreased at the Board Chair's discretion. Speakers must address the entire Board; dialogue is not permitted between speakers and other members of the public or Board members, or among Board members.

While the Board may not take any action based upon oral communications, an issue raised during oral communications may be placed on the agenda for a future Board meeting.

Organized groups wishing to make an oral presentation to the Board may contact Laura Partch at 831-662-2053 or admin@midcountygroundwater.org, preferably at least two weeks prior to the meeting.

WRITTEN COMMUNICATIONS

Written communications to the Santa Cruz Mid-County Groundwater Agency (MGA) Board may be submitted as follows:

- Via email: <u>comment@midcountygroundwater.org</u>
- Via mail or hand delivery: MGA Board of Directors, c/o Emma Olin, 5180 Soquel Drive, Soquel, CA 95073

Deadlines for Submittal:

- Written communications received <u>by</u> 4:00 p.m. on the Tuesday of the week prior to a regularly scheduled (Thursday) Board meeting will be distributed to the Board and made available on the MGA's website at the time the Agenda is posted.
- Written communications received <u>after</u> the 4:00 p.m. deadline will be posted on the MGA <u>website</u> and Board members informed of the communications at the earliest opportunity.
 Please note, communications received after 9:00 a.m. the day before the Board Meeting may not have time to reach Board members, nor be read by them prior to consideration of an item.
- Written communications received at a Board meeting will be distributed to Board members and posted on the MGA <u>website</u> at the earliest opportunity.

Any written communication submitted to the Board will be made available on the MGA website at http://www.midcountygroundwater.org/committee-meetings and constitutes a public record. Please do not include any private information in your communication that you do not want made available to the public.

DISABILITY ACCESS: Please contact Laura Partch at <u>admin@midcountygroundwater.org</u> or 831-662-2053 for information or to request an accommodation.

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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (MGA)

Board of Directors Remote-Access Meeting Thursday, June 16, 2022

DRAFT MINUTES

1. Call to Order

The meeting was called to order at 6:04 p.m. by Vice-Chair Baskin.

2. Roll Call

Directors present: Curt Abramson, David Baskin, Bruce Jaffe, Jon Kennedy, Jim Kerr, Manu Koenig, Tom LaHue (late arrival), Donna Meyers, and Marco Romanini.

Alternate Directors present: Allyson Violante (late arrival).

Directors absent: Zach Friend, and Rob Marani.

Staff present: Ralph Bracamonte, Ron Duncan, Tim Carson, and Laura Partch.

Others present: Robert Schultz (alternate director) and a member of the public.

Chair Tom LaHue arrived.

3. Oral Communications Related to Items Not on the Agenda Issues within the purview of the Santa Cruz Mid-County Groundwater Agency

(MGA). Guidelines attached.

None.

4. Consent Agenda

4.1 Approve March 17, 2022 Board Meeting Minutes (no memo)

MOTION: Director Meyers; Second, Director Kennedy. To approve the consent agenda. Motion passed unanimously by roll call vote; Director Baskin abstained.

Santa Cruz Mid-County Groundwater Agency Board Meeting Minutes – June 16, 2022 Page 2 of 5

5. General Business

5.1 Consider Board Resolution No. 22-02 to Authorize Remote Meeting

MOTION: Director Jaffe; Second, Director Romanini. To adopt Resolution 22-02 authorizing the next Board meeting, whether a regularly scheduled or a special meeting, to be held virtually in accordance with Government Code § 54953(e). Motion passed unanimously by roll call vote.

5.2 Approve Annual Budget for Fiscal Year 2022-2023

Staff reported that the Fiscal Year (FY) 2022-2023 budget is similar to the draft budget presented to the Board in March, with a few exceptions. To create consistency with the County contract award for Groundwater Sustainability Agencies (GSAs) Administrative Services, administrative costs for the Sustainable Groundwater Planning Grant (SGWP Grant) were shifted from Administration to Management and Coordination, specifically Planning Activities & Implementation Coordination. While not a meaningful shift, it is important for tracking services.

Management & Coordination also includes administrative services for the Sustainable Groundwater Management Implementation Grant (SGMI Grant). Planning and Coordination Services, previously included with Groundwater Sustainability Plan (GSP) Reporting Activities, are cleaner and more consistent under Management and Coordination.

Monitoring had been budgeted for another Airborne Electromagnetic (AEM) survey to monitor seawater intrusion, but this remains tentative for the current fiscal year. Staff is keeping an eye on whether the MGA could benefit from upcoming AEM surveys conducted by the California Department of Water Resources (DWR). The state-led AEM surveys may not be directly comparable to the MGA's 2017 AEM surveys due to the different flight patterns and other factors. The MGA Board previously expressed interest in replicating the MGA AEM surveys over time to monitor changes.

The FY Budget was reviewed by the Executive Team and Treasurer Leslie Strohm.

No questions or comments.

MOTION: Director Baskin; Second, Director Kennedy. To approve the Fiscal Year 2022-2023 Budget. Motion passed unanimously by roll call vote.

5.3 Authorize Execution of a Revenue Agreement Between MGA and County of Santa Cruz

Staff reported that the proposed Revenue Agreement is an amendment to the existing Revenue Agreement that extends the term for Data Management Systems (KISTERS), and adds additional monitoring (Balance Hydrologics), monitoring well construction (Storesund Construction, Inc.) and planning and administrative support services (Regional Water Management Foundation (RWMF)). Each contract has been approved by the County and now requires MGA Board approval.

Santa Cruz Mid-County Groundwater Agency Board Meeting Minutes – June 16, 2022 Page 3 of 5

MOTION: Director Baskin; Second, Director Koenig. To authorize the Board Chair to execute an amendment to the current agreement with the County of Santa Cruz for monitoring, administrative and planning services, and data management system hosting and maintenance, in the amount not to exceed \$1,321,179 for a three-year period, and authorize the General Manager of Soquel Creek Water District to sign the related purchase order. Motion passed unanimously by roll call vote.

5.4 Authorize Execution of a Contract with Regional Water Management Foundation for Grant Administration Services for the Sustainable Groundwater Management Implementation Grant

Executive Staff stated that this is a separate 3-year contract for grant administrative services for the recently awarded \$7.6 million-dollar SGMI Grant. The total amount of the contract with RWMF is \$380,000, with \$140,000 allocated for the 2022-2023 fiscal year.

MOTION: Director Jaffe; Second, Director Romanini. To authorize the Executive Staff of the Member Agencies to finalize contract negotiations and authorize the Board Chair to execute a contract with the RWMF for a total amount not to exceed \$380,000 for the Scope of Services in Amendment 1 and authorize the General Manager of Soquel Creek Water District to sign a purchase order for the RWMF in an amount not to exceed \$140,000 for services in Fiscal Year 2022-2023 (Year 1). Motion passed unanimously by roll call vote.

5.5 Authorize Execution of a Contract with Montgomery & Associates for Fiscal Year 2022-2203

Staff reported this annual contract is part of a multi-year contract initially entered into with Montgomery & Associates in 2020. The scope of services is similar to the previous annual contract and includes evaluating the groundwater model and looking ahead to what will be required for the 5-year update.

Alternate Director Allyson Violante arrived.

MOTION: Director Kerr; Second, Director Jaffe. To authorize the Board Chair to execute a contract with Errol L. Montgomery and Associates, Inc. for the Scope of Services in Attachment 1, and authorize the General Manager of Soquel Creek Water District to sign the associated purchase order for a total amount not to exceed \$137,190. Motion passed unanimously by roll call vote.

5.6 Authorize License Agreements for Access to Streamflow Monitoring Sites

Staff reported four landowners agreed to the installation of stream gages on their property, three of which are private landowners. The License Agreements are the next step in this process and were reviewed by MGA counsel.

MOTION: Director Baskin; Second, Director Meyers. To authorize the Board Chair to Authorize the Board Chair to sign four Landowner License Agreements on behalf of the MGA. Motion passed unanimously by roll call vote

5.7 Approve Process to Respond to the Recent Santa Cruz Civil Grand Jury Report on Water

Staff sought Board input on the process and considerations in responding to the civil Grand Jury report entitled *Our Water Account Is Overdrawn: Beyond Conservation: Achieving Drought Resilience (Report)*. The MGA needs to respond to a subset of the findings and recommendations by August 22, 2022. Included among the list of invited respondents is the Point of Contact, Mid-County Groundwater Management Agency. Other MGA Member Agencies (Soquel Creek Water District, City of Santa Cruz), as well as other agencies, are also required responders.

MGA legal counsel, Daniel Zazueta, provided general information on the purposes of the Civil Grand Jury and the MGA obligations in responding. Staff encouraged Board members to go to the Grand Jury website to get a sense of other reports and responses. Staff sought Board input on the timing of a special meeting in August for the Board to consider approval of the responses to the Grand Jury findings and recommendations.

A concern was raised about the Grand Jury recommendation to change the MGA charter to take on new obligations. It was noted that the MGA is already addressing resiliency and drought preparedness through the AB 522 Drought Working Group.

Given the short response time, the preferred approach of the MGA Member Agency staff is to work at the staff level in drafting a response, collaborate with the member agencies of the Santa Margarita Groundwater Agency, and bring a response to the MGA Board at a special meeting for Board review and approval. In the meantime, it was proposed that Directors could discuss any concerns or input on responses with their Member Agency executive staff or Tim Carson.

Staff will follow up with Board members to confirm a quorum for a special meeting in August for Board approval of the MGA response.

MOTION: Director Baskin; Second, Director Jaffe. To authorize Member Agency Executive Staff to draft the response to the Grand Jury report. Motion passed unanimously by roll call vote.

MOTION: Director Kerr; Second, Director Jaffe. To authorize Member Agency Executive Staff to schedule an MGA Board meeting in August 2022 for the Board to review and approve the response. Motion passed unanimously by roll call vote.

Santa Cruz Mid-County Groundwater Agency Board Meeting Minutes – June 16, 2022 Page 5 of 5

6. Informational Updates

6.1 Treasurer's Report

The MGA Treasurer could not attend, and Directors were invited to email questions to staff.

6.2 Oral Reports

Staff is still working with the DWR to finalize the SGMI Grant agreement. Local project sponsor agreements are expected to come to the Board for approval in August or September.

The County entered into a contract for monitoring network improvements, with construction expected to begin this summer, possibly July. A next step is the execution of the Landowner Agreements.

A monitoring Request for Proposals to oversee and conduct monitoring activities is expected to go out towards the end of 2022.

The MGA letter of support for a Pure Water Soquel grant application was omitted from the previous packet. SqCWD has not yet received a response.

Staff is working with the Santa Cruz Public Libraries for using the Capitola library for future in-person MGA meeting. A final agreement will come to the Board for approval.

As RMWF is now performing administrative services for both the MGA and SMGWA, there will be an effort to streamline and align the processes of both agencies to create efficiencies. For example, the MGA may move toward shorter, action minutes, and memos in the Board packet shorter and the packet easier to use. It was suggested that staff to consider using Zoom transcripts. Staff may consider switching to Zoom webinar.

The KISTERS Data Management System portal has been completed and released. Staff is still in the process of working with it, after which it will be available to the public.

- 7. Future Agenda Items
- 8. Written Communications and Submitted Materials
- 9. Adjournment

Chair LaHue adjourned the meeting at 7:06 p.m.

Next Regularly Scheduled Board Meeting: September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.1

Title: Consider Board Resolution No. 22-03 to Authorize Remote Meeting

Attachment(s):

1. Draft Santa Cruz Mid-County Groundwater Agency Board Resolution No. 22-03

2. County Health Officer Recommendation of Social Distancing and Remote Meetings for Legislative Bodies

Possible Board Actions:

1. Adopt Resolution No. 22-03 authorizing the next Board meeting to be held virtually in accordance with Government Code § 54953(e).

2. Take no action and conduct an in-person meeting at the next Board meeting, whether regularly scheduled or a special meeting.

Background:

On December 16, 2021, the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors decided to act in substantial compliance with AB 361 by adopting, at each Board meeting, a resolution authorizing a virtual meeting at the following Board meeting, upon making the following findings:

- 1. The legislative body has reconsidered the circumstances of the state of emergency, and
- 2. Any of the following circumstances exist:
 - a. The state of emergency continues to directly impact the ability of the members to meet safely in person, or
 - b. State or local official continue to impose or recommend measures to promote social distancing.

Discussion:

Governor Newsom's Proclamation of State of Emergency in response to the COVID-19 pandemic issued March 4, 2020, remains in effect. Likewise, the September 30, 2021, Santa Cruz County (County) Health Officer's recommendation for social distancing and continued remote meetings for legislative bodies remains active.

Board of Directors Special Meeting August 18, 2022 Page 2 of 2

Possible Board Actions:

- 1. By MOTION and roll call vote, adopt Resolution No. 22-03, authorizing the next meeting of the Board, to be held virtually in accordance with Government Code § 54953(e).
- 2. Take no action and conduct an in-person meeting at the next Board meeting, whether regularly scheduled or a special meeting.

Submitted by:

Tim Carson

Program Director

Regional Water Management Foundation



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DRAFT RESOLUTION NO. 22-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY ADOPTING FINDINGS PURSUANT TO ASSEMBLY BILL 361 TO AUTHORIZE TELECONFERENCE MEETINGS AS A RESULT OF THE CONTINUING COVID-19 PANDEMIC STATE OF EMERGENCY AND RECOMMENDATIONS FOR SOCIAL DISTANCING

WHEREAS, the Board of Directors of the Santa Cruz Mid-County Groundwater Agency ("MGA Board") is committed to providing public access to its meetings as required by the Ralph M. Brown Act ("Brown Act") (Cal. Gov. Code § 54950 *et seq.*); and

WHEREAS, the MGA Board is a legislative body under the Brown Act as defined under Government Code Section 54952(b); and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361") as urgency legislation effective immediately that amended Government Code Section 54953 to permit legislative bodies subject to the Brown Act to continue to meet under modified teleconferencing rules provided they comply with specific requirements set forth in the statute; and

WHEREAS, pursuant to AB 361 and Government Code Section 54953(e)(1)(A), a legislative body may meet under the modified teleconferencing rules during a proclaimed state of emergency, and where local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic, which remains in effect; and

WHEREAS, on September 30, 2021, Santa Cruz County Public Health Officer Dr. Gail Newel strongly recommended that legislative bodies in Santa Cruz County continue to engage in physical/social distancing by meeting via teleconference as allowed by AB 361 and confirmed that she will regularly review and reconsider this recommendation and notify the public when it is no longer recommended; and

WHEREAS, pursuant to AB 361 and Government Code Section 54953(e)(3), a legislative body can continue to hold such teleconference meetings provided it has reconsidered the circumstances of the state of emergency and determined either that the state of emergency continues to directly impact the ability of the members to meet safely in person or that local officials continue to recommend measures to promote social distancing; and

WHEREAS, on December 16, 2021, the MGA Board held its initial teleconference meeting under AB 361; and

WHEREAS, the MGA Board has reconsidered the circumstances of the current state of emergency and finds that the COVID-19 pandemic continues to directly impact the ability of members of the public to participate safely in person and further finds that the Santa Cruz County Public Health Officer continues to recommend measures to promote social distancing; and

WHEREAS, in the interest of public health and safety, and due to the emergency caused by the spread of COVID-19, the MGA Board deems it necessary to utilize the modified teleconferencing rules set forth in AB 361;

NOW, THEREFORE, the Board of Directors of the Santa Cruz Mid-County Groundwater Agency resolves as follows:

Section 1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution by reference.

Section 2. Acknowledgement of Governor's Proclamation of a State of Emergency. The MGA Board has reconsidered the state of emergency proclaimed by the Governor of the State of California and finds that the state of emergency continues to directly impact the ability of the MGA Board and members of the public to meet safely in person.

Section 3. Acknowledgement of Local Health Order Promoting Social Distancing. The MGA Board determines that a local health order related the need for social distancing related to the COVID-19 pandemic remains in effect.

Section 4. Remote Teleconference Meetings. The MGA Board is authorized to carry out the intent and purpose of this Resolution by conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon adoption and shall be effective until the next meeting of the MGA Board, at which time the MGA Board will reconsider the circumstances of the COVID-19 state of emergency and, if necessary, adopt subsequent findings to continue holding teleconference meetings in accordance with Government Code Section 54953(e)(3).

Passed and adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on August 18, 2022, by the following vote:

<i>6</i> - <i>1</i> - <i>1</i>	<i>g</i> , . , <i>g</i>	
AYES: NOES: ABSENT:	Directors Directors (or None) Directors (or None)	
	Directors (or None)	
		APPROVED:
		Thomas R. Lahue
ATTEST:		Board Chair
Jim Kerr		
Board Secre	etary	



County of Santa Cruz

HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 Emeline Ave., SANTA CRUZ, CA 95061-0962 TELEPHONE: (831) 454-4000 FAX: (831) 454-4488 TDD: Call 711

Public Health Division

HEALTH OFFICER RECOMMENDATION FOR SOCIAL DISTANCING (CONTINUED REMOTE MEETINGS FOR LEGISLATIVE BODIES)

COVID-19 disease prevention measures endorsed by the Centers for Disease Control and Prevention include vaccinations, facial coverings, increased indoor ventilation, handwashing, and physical/social distancing (particularly indoors). Since early in the COVID-19 pandemic, local legislative bodies such as boards, commissions, committees, and councils have successfully held public meetings remotely via teleconferencing. I strongly recommend continued use of teleconference meetings as a social distancing measure to help control transmission of the COVID-19 virus. Public meetings bring together many individuals, from multiple households, in a single indoor space for an extended period of time. Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate legislative business and participation in public affairs while at the same time helping to prevent the spread of COVID-19.

This recommendation is intended to satisfy the provision of the Brown Act (specifically, Government Code Section 54953(e)(1)(A)), which allows local legislative bodies in the County of Santa Cruz to use teleconferencing to enable remote meetings under specified circumstances. I will continue to evaluate this recommendation on an ongoing basis and will communicate when it is appropriate to withdraw the recommendation.

Gail Newel, MD

Health Officer of the County of Santa Cruz

J. Zevel MD

Dated: September 30, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2

Title: Approve MGA Response to Santa Cruz Civil Grand Jury Report

Attachments:

1. Civil Grand Jury Report Our Water Account is Overdrawn

2. Santa Cruz Mid-County Groundwater Agency (MGA) Required Response

Recommended Board Action: Approve and authorize the staff to submit the Santa Cruz Mid-County Groundwater Agency response to the Santa Cruz County Civil Grand Jury Report: Our Water Account is Overdrawn - Beyond Conservation: Achieving Drought Resilience, on or before August 22, 2022.

Background:

On May 24, 2022, the Grand Jury published a report entitled *Our Water Account Is Overdrawn - Beyond Conservation: Achieving Drought Resilience*. The Grand Jury Report includes twelve (12) Findings and three (3) Recommendations. The Board of Directors of the MGA is listed as a Required Respondent to six (6) of the Findings and all the Recommendations. The responses are highly structured, and must be provided by August 22, 2022.

For each grand jury finding, the responding entity must indicate one of the following:

- 1. The respondent agrees with the finding.
- 2. The respondent disagrees wholly or partially with the finding, in which case an explanation of the reasons is required.

For each grand jury recommendation, the responding entity must report one of the following actions:

- 1. The recommendation has been implemented, with a summary regarding the implemented action.
- 2. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation
- 3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe. This timeframe will not exceed six months from the date of publication of the grand jury report.
- 4. The recommendation will not be implemented because it is not warranted or is not reasonable, and an explanation.

Board of Directors August 18, 2022 Page 2 of 2

Discussion:

The Board received the Civil Grand Jury Report on May 19, 2022. At the MGA Board meeting on June 16, 2022, the Board began discussing the approach for the MGA's response. It was decided that staff should prepare the response, and that Board members who wanted to contribute could work with their associated Executive Staff member to have that input included in the document. Based on the Board direction received at the June Board meeting, and in coordination with the Santa Margarita Groundwater Agency, the City of Santa Cruz, and the Soquel Creek Water District, this document was prepared.

While the MGA Board is required to respond to six (6) Findings, the Point of Contact for the MGA was also invited to respond to those Findings as well as three (3) others. As the Point of Contact for the MGA will not be submitting a response, responses to those additional Findings were included in the MGA Board response document. The Board could choose to omit them, as they are not part of the required response.

Recommended Board Action:

1. BY MOTION, Approve and authorize the staff to submit the response from Santa Cruz Mid-County Groundwater Agency for the Santa Cruz County Civil Grand Jury Report: *Our Water Account is Overdrawn Beyond Conservation: Achieving Drought Resilience* on or before August 22, 2022.

Submitted By Sierra Ryan

On behalf of the MGA Executive Staff

Ron Duncan, General Manager, Soquel Creek Water District Ralph Bracamonte, District Manager, Central Water District Rosemary Menard, Water Director, City of Santa Cruz Sierra Ryan, Water Resources Manager, County of Santa Cruz



Santa Cruz Civil Grand Jury

701 Ocean Street, Room 318-I, Santa Cruz, CA 95060 (831) 454-2099 <grandjury@scgrandjury.org>

Our Water Account Is Overdrawn Beyond Conservation: Achieving Drought Resilience

Summary

Santa Cruz County faces a water crisis. Periodic and sustained drought has become a fact of life. If we don't achieve drought resilience—and make meaningful progress toward achieving it soon—the results may prove to be catastrophic. This report examines our current water situation and proposes achievable steps that can be taken toward drought resilience by our County water districts, city water departments, and groundwater basin agencies. With these steps, residents, businesses, and farms can thrive and avoid economic hardship during times of drought.

We will highlight the important work that is currently planned or completed. This work demonstrates that our water agencies have the means to create a water capture, storage, and transfer system that will go far toward solving our current crisis. Solid, innovative drought plans for drought resilience exist, but are nearly invisible to the public. This consistent lack of transparency has made water a very charged topic, especially with regard to population growth. Residents need to know the facts when deciding issues.

The County has the means to achieve drought resilience. What's been missing is urgency and tightly integrated, cross-agency collaboration to accelerate this work. Although considerable interagency collaboration has been demonstrated, it has not resulted in the leadership needed to turn plans into action. The time to act is now.

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Background

"When the well's dry, we know the worth of water." —Benjamin Franklin

Water is the lifeblood of our community; it is essential for residents, businesses, and agriculture. Santa Cruz County relies on several large water suppliers, many smaller water suppliers, and thousands of private wells in rural areas. Agriculture uses about half our water, mostly in South County. For a quick snapshot, see Appendix A.

Santa Cruz County is one of a few counties in California that does not receive any water from outside the County. All of Santa Cruz's water is locally sourced from rainfall.

Some of our County supply comes from surface water in rivers and creeks; much more comes from groundwater pumped from aquifers. These groundwater basins are replenished by rainwater. Figure 1 shows the primary water supply resources in the County.

- 1 San Lorenzo River
- 2 Santa Margarita Groundwater Basin
- 3 Mid-County Groundwater Basin
- 4 Pajaro Valley Groundwater Basin
- 5 Pajaro River



Figure 1. Major Santa Cruz County Water Sources (Source: Santa Cruz County Grand Jury)

Ensuring a consistent water supply for all residents during multi-year droughts is an ongoing challenge. During the years 2012–2015, California suffered the worst drought in almost 450 years. [1] Santa Cruz County combated the drought through various actions, including implementing a first-time, state-mandated 25% reduction of urban water use. [2] Since that time, only a small amount of dry season storage has been added.

Climate Change Is Accelerating Water Supply Risks

Santa Cruz County has a Mediterranean climate, with cool, rainy winters and warm, dry summers. Water usage is much higher in the summer, driven mostly by landscaping and agricultural needs. Santa Cruz County has two main rivers—the San Lorenzo River and the Pajaro River—and numerous creeks. River flow varies highly from year to year. Over the last 100 years, the maximum flow in the San Lorenzo River of 91 billion gallons of

water occured in 1983, and the least flow of three billion gallons occurred in 1977. The average flow is about 30 billion gallons per year. [3]

The City of Santa Cruz and its neighbors within the City's water service area use less than three billion gallons of water a year (see Table 1 in Appendix A), which is no more than a tenth of the San Lorenzo River's average annual flow. Water storage for the City of Santa Cruz and some neighboring communities is provided by Loch Lomond Reservoir, which can hold about a year's worth of water usage by the City and its neighbors. Water is diverted from the San Lorenzo River to Loch Lomond Reservoir during the rainy season and this stored water supplements the dry season river flow during the summer months. The water not diverted to Loch Lomond Reservoir or sent to the water treatment plant flows unused to Monterey Bay because we have nowhere to store it. Maintaining high levels at Loch Lomond Reservoir, shown in Figure 2, as a reserve is a critical part of the City's water supply planning.



Figure 2. Half Empty or Half Full? Loch Lomond Reservoir, 2015 (Credit: Photo Courtesy of the Santa Cruz Sentinel)

In California, climate change has resulted in higher year-to-year rainfall variability. This means we have both more frequent drought years and more frequent high- rainfall years. We are also experiencing fewer, heavier storms. This results in more runoff, with less rainfall reaching the aquifers. In mid-County, only about 5 percent of the rainfall replenishes our aquifers. Population growth and expanded agriculture have increased groundwater pumping. This has caused chronic water shortages and critical

groundwater overdrafts. Unless replenishment of the aquifers improves, this shortage will only worsen with future extended and severe droughts.

Because there is insufficient storage to address periodic droughts, the County's water agencies have responded by stressing conservation. This has been extremely successful but is reaching practical limits. For example, in the City of Santa Cruz gross daily per capita water use declined from about 127 gallons in 2000 to 70 gallons—almost half—in 2015. [6] Conservation measures continue to reduce water usage to less than 50 gallons per person in 2020, one of the lowest levels in California. [7]

During normal rainfall years, the water supply mostly meets County water needs. During droughts, however, demand exceeds supply in parts of the County, resulting in a deficit, particularly through pumping groundwater basins. In the worst case, the projected deficit can reach 1.2 billion gallons in a year. Over many years, this has led to chronic overdrafting of the basins. The lowering of the groundwater level causes saltwater intrusion to occur near the coast.

Drought Costs Everyone—a Lot!

The entire County lacks an economic impact report on the effects of a sustained drought. However, drought's economic effects are visible to all. [9]

The City of Santa Cruz has developed the "2020 Water Shortage Contingency Plan" [10] that details drought contingency allocations. A Stage 5 drought reduces allocations to 60 percent of normal (40% cut), while the less severe Stage 4 drought limits allocations to 79 percent of normal (21% cut). Stage 4 is somewhat less severe than the 25 percent cut mandated during the 2012–2015 drought. [2] See Appendix B for more detail.

Encouraging the City to avoid Stage 5 cutbacks should be a high priority for all businesses in the City. Water users should keep in mind that drought contingency fees kick in during droughts. Water infrastructure needs to be paid for whether the pipes are full or not.

The County depends heavily on tourism and the Transient Occupancy Taxes generated to support the general fund. The area's tourist and restaurant businesses are highly dependent on workers from across the County. Since a Stage 5 drought would limit tourist-oriented commercial water usage, many of those workers could be put out of work. Stage 5 restrictions will cause revenue drops for both the County and City of Santa Cruz.

Beyond the economic impact, our quality of life matters too. From the last sustained drought we remember watching our gardens wilt, driving cars we could not wash, and flushing toilets only when absolutely necessary. Santa Cruz County is a less desirable place to live when our water use is severely restricted. Water-wise appliances, native plant landscaping, and other conservation measures are now normal for our residents, but further cuts in the water supply will adversely impact daily living for all of us.

Forty Years of Single-Agency Efforts Have Shown Limited Results

Recognition of recurring water shortages in our County goes back decades. Originally, a second reservoir at Zayante was planned to store San Lorenzo River water. Due to cost and environmental concerns, it was never built. At the time, the City of Santa Cruz believed they could provide an adequate water supply through several smaller projects.^[11]

In the 1980s, seawater intrusion into the Mid-County aquifers that underlie much of Soquel and Capitola was detected. This intrusion was due to overdrafting, meaning more water was being pumped from the groundwater basin than was being replenished by rainfall, which results in lowering the groundwater level. Monitoring wells were drilled to track the extent of the intrusion and conservation measures were promoted. [12] Figure 3 illustrates the saltwater intrusion relationship between local aquifers and Monterey Bay.

The focus of conservation was to reduce the demand on the system, and has been very successful. The Mid-County and Santa Margarita groundwater agencies have been chartered to achieve sustainability of the groundwater basin. We have been told that sustainability means, "Don't make anything worse." This sentiment refers to critical basin metrics, including groundwater level, groundwater storage reduction, land subsidence, water quality degradation, and seawater intrusion. Sustainability is not the same as resilience, which enlarges supply. For more detail on groundwater sustainability laws, see the section titled, "Laws That Drive Water Agency Actions."

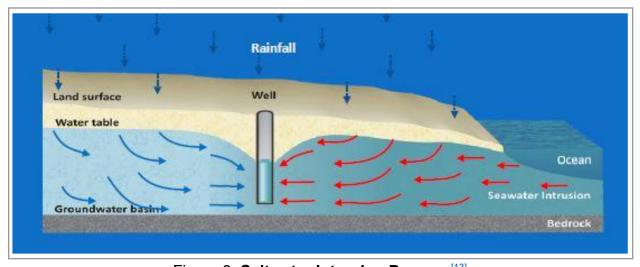


Figure 3. Saltwater Intrusion Process^[13]

In 2010, planning began on a desalination plant that would serve the City of Santa Cruz and neighboring communities. The City of Santa Cruz discontinued the plan in 2016 after significant objections were heard from the local community. These objections included high setup and operational costs, insufficient evaluation of alternatives, the need for a more regional approach, a greater focus on conservation, and the likelihood of drought scenarios needing further analysis.^[14]

In the early 2000s, investigations began into the possibility of taking water from the San Lorenzo River during the winter, treating it, and storing it in the neighboring groundwater

basins which have lots of "headroom" due to overdrafting. This stored water would both replenish the basins and provide water that could be returned to the City of Santa Cruz during droughts. The concept of integrated management of surface and groundwater to maximize water storage and availability under changing climate conditions is referred to as conjunctive use. This concept has finally reached the demonstration phase, 20 years later.

The State funded a planning grant through the Integrated Regional Water Management Act (see "Laws," next section) to study the feasibility of conjunctive water use in Santa Cruz County. The grant funding produced a major report in 2015 that indicated that injecting treated water from the San Lorenzo River into the neighboring groundwater basins and recovering it for later use is feasible. [15] Integrated Water Resources Management funds were applied to this work because conjunctive use binds local water agencies together to improve the reliability of the regional water supply. Further evaluation, captured in reports from the Santa Cruz Water Supply Advisory Committee, indicate that groundwater storage can equal the three billion gallons stored in Loch Lomond Reservoir. [4] When at capacity, this groundwater supply could deliver a maximum of one billion gallons in a single year, which is one third of the total capacity of Loch Lomond Reservoir. [16]

However, water rights are a significant barrier to conjunctive use. The City of Santa Cruz is restricted from transferring San Lorenzo River water to neighboring water agencies. Modifying the water rights requires State Water Resources Control Board approval, and obtaining this approval requires an exhaustive Environmental Impact Report (EIR).^[17] Work on revision of the water rights *alone* began in 2013 and was only completed in late 2021.^[18] With the EIR complete, the change in water rights can be approved by the State. That will allow vastly more flexible water-sharing options between the districts serving the City of Santa Cruz, Mid-County, and North County. Most important among these options is efficiently capturing rainy season flow from the San Lorenzo River to recharge local aquifers.

As stated earlier, wildlife protection is an important aspect of water management. The EIR discusses the potential impacts of conjunctive use on local fish like coho salmon and steelhead trout, which are a threatened species. These fish need sufficient flow for adults to swim upstream during the spawning season, and for the juvenile fish to hatch and swim downstream to the ocean. The conjunctive use described in the EIR would divert water from the San Lorenzo River only during the winter months when sufficient river flow is not an issue. Conjunctive use may help protect the fish by allowing more flexibility in limiting diversions from the river during periods of low flow. For more detail on fish protection, consult the EIR.^[18]

Laws That Drive Water Agency Actions

The State of California has enacted legislation aimed at protecting and preserving its water resources while providing adequate water supply to residents, businesses, and agriculture. The laws guiding our water agencies' ability to deliver a resilient water supply, and some background on local effects, are listed here:

California Environmental Quality Act (CEQA) of 1970. This law requires that state and local agencies disclose and evaluate the significant environmental impacts of proposed projects and adopt all feasible mitigation measures to eliminate those impacts or at least minimize them. Capital improvement projects such as those described in this report require an Environmental Impact Report (EIR). Feedback from local agency leaders indicates that detailed plans may trigger a CEQA requirement which would be expensive and time-consuming. Many of the plans reviewed for this report deliberately lacked any specificity that might require an EIR. Addressing that problem is outside the scope of the grand jury.

Urban Water Management Planning Act of 1983. The Act promotes efficient water use and conservation. It requires large water suppliers providing water for municipal purposes to prepare and submit an Urban Water Management Plan to the California Department of Water Resources every five years. In response to the expected effects of climate change, recent amendments to the Act require local water agencies to plan for five consecutive drought years.

Integrated Water Resources Management (IWRM) Act of 2002. The Act aims to improve water supply reliability and water quality. It encourages water supply agencies and local governments to work together to more effectively manage water resources regionally.

Sustainable Groundwater Management Act (SGMA) of 2014. This legislation aims to prevent further degradation of the State's essential groundwater supply. It directs the California Department of Water Resources to identify groundwater basins where "continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social, or economic impacts." These identified basins are designated as critically overdrafted, and the Act requires that they be sustainable by 2040. Twenty-one groundwater basins have been designated as critically overdrafted in California. Two of them are in Santa Cruz County. The responsible groundwater management agencies are described in Appendix A.

Scope and Methodology

As residents of Santa Cruz County, we see the impact of drought and share a high level of concern about adequate water supplies. We wanted to understand how water is sourced, stored, and distributed to customers, the limitations inherent in the current water infrastructure, and what can be done to provide a more resilient water supply. We looked at the existing and planned physical infrastructure, the charters of the responsible water agencies, and finally, at the barriers to achieving real drought resilience.

This report focuses on North County where the water storage problem has a solution within reach. South County, the small and minor water suppliers, individual wells, and agriculture areas are not included in this investigation. The limited scope of this report does not diminish the need to address drought resilience in those areas.

This investigation report describes the infrastructure that collects, treats, and distributes water. Our intent is to provide enough information that residents can see the big

picture—that drought resilience is achievable and that population growth need not threaten our access to sufficient water. We also address the systemic barriers to achieving that goal. We had hoped that a succinct drought resilience document already existed, but found only massive documents—some more than 1,000 pages long—sprinkled with disconnected nuggets of useful information.

The investigation included:

- Interviewing local water agencies
- Reviewing reports and plans describing current and future local water infrastructure
- Researching local water agency charters, collaborations, conflicts, and overlaps
- Seeking out best practices from integrated water management
- Considering options for improving county-wide water supply planning and execution
- Examining barriers to achieving county-level drought resiliency

Definitions

This report relies on many information sources that vary in terminology usage. In some cases, terms have specific legal meanings, but this gets lost in everyday conversation. The following terms will be used consistently in this report:

Critically overdrafted groundwater basin: A basin is subject to critical overdraft when continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social, or economic impacts.^[19]

Conjunctive use: The concept of integrated management of surface water and groundwater to maximize water storage and availability under changing climate conditions is referred to as conjunctive use. [15]

Groundwater sustainability: The development and use of groundwater resources to meet current and future beneficial uses without causing unacceptable environmental or socioeconomic consequences.^[20]

Drought resilience: Groundwater sustainability supports drought resilience, but is not equivalent. Resilience requires storage, recycling, or other methods that bank water or draw it from other areas so that drastic water service reductions are *not* required when severe droughts occur.

Water rights: A water right is a legal entitlement authorizing water to be diverted from a specified source and put to beneficial, non-wasteful use. Current water rights prevent excess water from the San Lorenzo River being sent to the neighboring water agencies, which means that it is discharged into Monterey Bay.

Water augmentation strategy: Augmentation is the process of adding water to an existing source water supply (such as a reservoir, lake, river, wetland, or groundwater basin). The added water may be treated or purified in transit as required by water quality regulations. The goal is to capture water to be used later.

In-lieu recharge: This recharge method indirectly enables aquifers to refill with water by utilizing surface water "in-lieu" of pumping groundwater. The substitution thereby retains an equal amount of water in the groundwater basin. This approach is also termed passive recharge or resting wells. The limitation of this approach in Santa Cruz County is that surface water is most available during the winter, when pumping is less because water usage is less. Active Storage and Recharge, defined below, recharges aquifers when excess surface water is available. The recharge volumes can far exceed simply avoiding pumping.

Aquifer storage and recovery: Aquifer storage and recovery is a water resources management technique for actively storing water underground during wet periods for recovery when needed, usually during dry periods. This approach typically relies on injection wells to push water into the aquifer. The timeframe can range from months to decades.

Investigation

This section describes the key water sources and delivery system elements. Our goal was to understand and report on the capabilities and limitations of the current system, with a focus on agency silos and opportunities for improving resilience.

The City of Santa Cruz Existing Surface-Water System

The City of Santa Cruz water system is the largest in the County, serving close to 100,000 people. The system includes capturing water from the San Lorenzo River or from Loch Lomond Reservoir, moving the water to the treatment plant, treating the water, and distributing it to customers. We describe the system in some detail because it is relevant to the conjunctive use described later in this report. We include a brief description of the water treatment plant because it also contributes to conjunctive use. Figure 4 shows the key elements of the system.

- 1 Loch Lomond Reservoir water storage
- 2 San Lorenzo River surface flow
- 3 Felton and Tait pumping stations for San Lorenzo River daily water draw and Loch Lomond refill
- 4 Beltz Wells
- 5 North County streamsConnecting pipelines

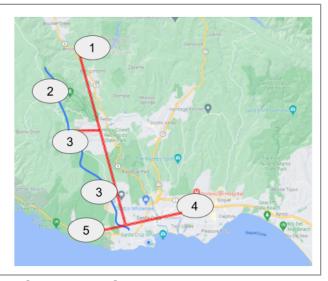


Figure 4. City of Santa Cruz Water Supply (Source: Santa Cruz County Grand Jury)

The following are the key elements of the City of Santa Cruz water supply:

- Sourcing water. The City gets the vast majority of drinking water from the San Lorenzo River. This source is augmented by streams and springs in North County and groundwater wells near Tait Street and 41st Avenue. Newell Creek is an indirect surface water source because it feeds Loch Lomond Reservoir. [21]
- Moving surface water. The City relies on pumping stations and pipelines.
 - North County stream water travels to the City's Graham Hill Water Treatment Plant by pipeline.
 - San Lorenzo River water is pumped uphill from the Felton Diversion facility to Loch Lomond Reservoir. From there it flows to the Graham Hill plant.
 - River water is also pumped directly to the Graham Hill plant from the Tait Street Diversion. [22]
- Storing water. Loch Lomond Reservoir is the City's only large water storage reservoir. It has capacity roughly equivalent to the water used by the City in one year. During the rainy season, there is excess pump capacity to push water to Loch Lomond Reservoir. Water from Loch Lomond supplies the City during low river flow dry months.
- Treating water. The Graham Hill Water Treatment Plant prepares water prior to use by customers. Treatment includes eliminating cloudiness in the surface water sources, which is frequent during high-flow winter months.
- Sharing water with other districts. The City water system connects to the Soquel Creek Water District. This connecting pipeline was used to transfer water to the Soquel Creek Water District during the pilot demonstration of Aquifer Storage in 2017. [24]
- Sewage treatment. The Santa Cruz Wastewater Treatment facility near Neary
 Lagoon treats water so it can be safely dumped into the ocean. The plant receives
 untreated sewage from the City of Santa Cruz along with the City of Scotts Valley
 and communities such as Capitola in the Mid-County region. The plant's treated
 water will be redirected to saltwater intrusion control wells in the Pure Water Soquel
 project (described in the next section). This requires additional purification.

Santa Margarita Groundwater Sources

The Santa Margarita Groundwater Basin (**SMGB**) is a groundwater basin largely contained between Highways 9 and 17, and bounded by Boulder Creek and Lompico in the north and Mount Hermon communities in the south. The SMGB is overseen by the Santa Margarita Groundwater Agency, described in Appendix A. Because of successful conservation efforts, demand and supply have been in balance in the SMGB for the last ten years.^[27]

The Scotts Valley Water District and the Mount Hermon Association get their water from the SMGB. This basin also supplies 13 small water systems and more than 1,100 individual well users. The San Lorenzo Valley Water District receives about half its water from the SMGB.

Finally, 40–50 percent of the flow of the San Lorenzo River leaks into the river from aquifers of the SMGB as the river passes through the Santa Cruz Mountains. The City of Santa Cruz, while reporting that it receives 95 percent of water from the surface, benefits greatly from the same aquifers that the Scotts Valley and San Lorenzo Valley Water districts depend on.^[28]

Santa Cruz Mid-County Groundwater Sources

The Santa Cruz Mid-County Basin (**MCB**) is a groundwater basin that underlies parts of the cities of Santa Cruz and Capitola, and unincorporated parts of Santa Cruz County, including Soquel, Aptos, and La Selva Beach. The Soquel Creek Water District and the Central Water District obtain all their water from the Santa Cruz Mid-County Basin. [29]

The MCB is overseen by the Santa Cruz Mid-County Groundwater Agency (**MGA**), described in Appendix A. The MCB is designated as in "critical overdraft" because of seawater intrusion at several wells located close to the coast, and a lowering of groundwater levels at wells further inland. A well that is contaminated by saltwater may not be recoverable and may need to be abandoned. Saltwater intrusion still occurs in spite of significant conservation efforts led by the MGA and implemented by the residents.^[30]

The district had been working on achieving a sustainable water supply for several years before the Groundwater Sustainability Plan (**GSP**) was produced. The Pure Water Soquel project, which is intended to prevent further seawater intrusion into the basin, is currently under construction. See the next section, "Agency Collaboration: Pure Water Soquel."

Agency Collaboration: Pure Water Soquel

The Soquel Creek Water District does not have sufficient water to meet the demands of residents in this service area. All of the supply comes from groundwater pumping and the water quality is at risk from saltwater intrusion. Simply put, the district needs more water to stay afloat. The joint project between the Soquel Creek Water District and the Santa Cruz Water District Pure Water Soquel—is a groundwater replenishment and seawater intrusion prevention project. It will provide close to 500 million gallons of recycled water annually to push back the saltwater intrusion along the coast using injection wells. It is currently under construction with completion expected in 2022 and production starting in 2023.

The Santa Cruz Wastewater Treatment Facility (Neary Lagoon) supplies water for this project. The plant currently treats wastewater in order to discharge it into the ocean. A new pipeline will transfer a portion of this water to the Soquel Creek Water District's water treatment facility in Capitola for further purification and reuse. The treatment plant ties to existing pipelines that connect to injection wells near the coast which aim to block saltwater intrusion. [32]

Completing this project will reduce the degree of overdraft in the Mid-County Basin and protect against further seawater intrusion. Importantly, this project demonstrates successful large-scale collaboration between local agencies. It also accelerates the use of recycled water in the County, similar to the use of recycled water from Watsonville to address saltwater intrusion in South County. This use of recycled water is described in the following section titled, "Agency Spotlight: Pajaro Valley College Park Project." Figure 5 illustrates the evolution of groundwater pumping practices and their relationship to seawater intrusion, which the Pure Water Soquel project is designed to address.

- A Pumping prior to overdraft; aquifer still flows to ocean
- **B** Overdraft permits sea water to intrude inland
- C Adding injection well blocks seawater intrusion

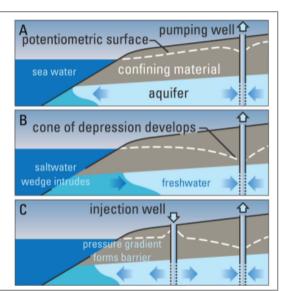


Figure 5. Stemming the Flow of Seawater Intrusion[33]

The Pure Water Soquel project, while a significant step toward basin sustainability, does not build a reserve within the aquifer. More water from the Santa Cruz Wastewater Treatment Plant is available than is being used by the Pure Water Soquel project. That excess water currently flows to the ocean.

The City of Santa Cruz Water Augmentation Strategy

"But if we get to three, four, five dry years in a row the system is just simply not designed to accommodate that."

—Rosemary Menard Director, City of Santa Cruz Water Department^[34]

The City has been exploring conjunctive use for many years. Treated water from the San Lorenzo River could be transferred to the San Lorenzo Valley Water District, the Scotts Valley Water District, and the Soquel Creek Water District, initially to allow them to "rest" their wells. This treated water would allow for passive recharge of those districts' aquifers, [35] and also be available to those districts to actively inject additional water into the overdrafted Mid-County Basin and the Santa Margarita Basin. The injected water would recharge the aquifer, and allow the City to get some of this water back during times of drought. [36]

Eventually, the reserve described above would contain roughly one year's worth of water that could be transferred back to the City. The recharged aquifers would effectively become a second "strategic reserve" of water for the City similar in size to Loch Lomond Reservoir. The water would come from improved rainy season water capture and transport. As mentioned previously, in average and rainy winters, total flow far exceeds the actual usage by the City. Figure 6 illustrates the relative volumes.

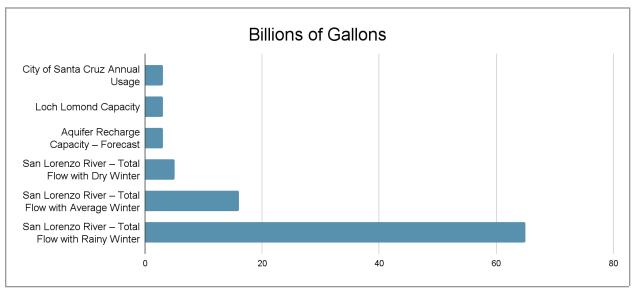


Figure 6. San Lorenzo River Flow and Local Needs

(Source: Santa Cruz County Grand Jury)

Current water rights limit the City's flexibility in how San Lorenzo River water can be used. For instance, during the rainy season, the City has pumping capacity to push water to nearby districts where it can be stored. However, current rights do not allow this action because it is not an authorized beneficial use.^[37]

Another water rights issue is that water pumped from the San Lorenzo River, but not directly used by the City, must be sent to Loch Lomond Reservoir. If Loch Lomond is full, then the excess pumping capacity cannot be used. The issue is not the *amount* of water that the City has rights to; it is that the City has very limited flexibility in *how to use* the water. Water flowing to the ocean during the winter rainy season far exceeds amounts that could be redirected to groundwater reserves.^[37]

Changing the City's water rights to allow water transfers to the neighboring water districts is a major undertaking which required an Environmental Impact Report under California Environmental Quality Act rules. The report has been completed and was published in November 2021. The California Department of Water Resources is expected to approve the EIR in 2022. These are the components of the City of Santa Cruz Water Augmentation Strategy as described in the EIR:

Give the City more flexibility to move and store water from existing sources. This
component requires adjusting the City's water rights so that unused rainy season
water that the City has rights to can actually be used to increase water storage. [38]

- Specific elements of the revised rights include moving water from the Graham Hill Water Treatment Plant to the neighboring water districts and storing this water in groundwater reservoirs.
- Develop groundwater storage near Capitola and Scotts Valley. This component includes injection wells, recovery wells, and pre-injection treatment. [39] Testing and qualifying the groundwater storage aquifers for quality and capacity has been conducted for both locations.
- Establish two-way transport to the storage areas. Pipeline costs have not been published, however laying groundwater pipes is a well-understood engineering and construction project.
- Obtain water to store from existing pumping stations. Current upgrade plans for the Felton Diversion, Tait Street Diversion, and the Graham Hill Water Treatment Plant include capacity to push water to the storage sites. They also include upgraded initial treatment so that winter storm water can be redirected to ground storage. This water movement will not interfere with fishery conservation because those issues generally arise during low water periods. This has been documented in the city water rights application materials.^[38]
- Set new water-sharing agreements with adjacent agencies. The Mid-County Groundwater Agency and the Santa Margarita Groundwater Agency are responsible for groundwater management in the locations that the city plans to use. Collaboration amongst the agencies is underway and being worked in parallel with the water rights revision. [40]

Bottom line for the City: Completing this project will provide City residents with a much more drought-resilient water supply—in essence, a *strategic reserve*. Coupled with the conservation measures already embraced by City residents, the City of Santa Cruz will be much better prepared for recurring droughts.

Contribution to drought resilience at the County level: While not called out by local agencies, the Grand Jury believes the following appear to be opportunities to broaden the value of the augmentation project.

- The project could extend access to the previously described strategic reserve for Santa Cruz Mountains residents. Early discussions have been held to connect the City of Santa Cruz and the Scotts Valley water distribution systems. With this connection, water could be supplied to the San Lorenzo Valley Water District through the existing emergency connecting pipeline. The reserve approach appears to be extendable over time; this would further leverage the value of aquifer recharge infrastructure investments.
- The documented contention for groundwater aquifer space between the City of Santa Cruz and the Soquel Creek Water District demonstrates the importance of the Mid-County aquifers. While short term, there is rework to address this contention on both Pure Water Soquel and the City of Santa Cruz aquifer recharge projects. In the long term this effort benefits both districts. [41]

 The Mid-County Groundwater Agency and the City of Santa Cruz share pipeline capacity that could be used to recharge the Mid-County aquifers beyond the Capitola area. The extra capacity could be used to recharge the aquifers so Mid-County residents gain a reserve beyond the legal requirements for sustainability. Such additional work would maximize recharge and resilience for the Mid-County aquifers.

Agency Spotlight: Pajaro Valley College Lake Project

Aquifers along the coast in the Pajaro Valley region are heavily overdrafted. Resting wells used by local agriculture helps to slow the rate of saltwater intrusion but does not reverse the intrusion. The Pajaro Valley College Lake Project shows local expertise and serves as an example of approaches that can be applied in North County and Mid-County.

Project

The project extends the use of College Lake, a seasonal lake in the Pajaro Valley near Watsonville. By raising the maximum lake level with a small adjustable dam, commonly known as a weir, additional water can be stored. Besides storage, a pipeline has been built to transport water from the lake to the Pajaro Valley Coastal Distribution System, which already receives recycled wastewater from the City of Watsonville. The project adds to the surface water resource available for farming. Wells in the area can be rested, which aids in countering saltwater intrusion.

Annual water transfer capability

College Lake can store up to 600 million gallons, approximately 20 percent of Loch Lomond Reservoir. It can deliver between 600 to 750 million gallons in typical years, with a maximum of one billion gallons. Monthly usage of water varies from five million gallons to 150 million gallons.

History of College Lake

Historically, College Lake formed naturally during the wet season. Since 1920, draining has been authorized to free up the land for farming. Making the water available to the Coastal Distribution System has been discussed for many years and was documented in 2014. However, the project is still not complete. This delay reflects the slow pace of water project development when only a single agency with limited resources is responsible for its execution.

Contribution to drought resilience at the County level

As with the Pure Water Soquel project, this project's end goal is to gain supplemental water in order to rest the wells that are at risk for saltwater intrusion. In the same way as the Pure Water Soquel project, the College Lake project does not optimize water use to reflect water availability.

Wet weather surplus simply overflows into Monterey Bay. There are opportunities to:

- Use wet weather surplus for active injection in threatened agricultural areas
- Apply surplus in areas that are not directly threatened to improve groundwater levels
- Transfer water to adjacent districts if additional surplus exists or a water emergency arises.

The Role of Wastewater Recycling

As previously mentioned, wastewater recycling is practiced in both South County and Mid-County. In both cases, the water is used to counter saltwater intrusion. Direct potable reuse is another emerging option. Less than half of the wastewater from the City of Santa Cruz Wastewater Treatment Facility (Neary Lagoon) will be used by the Pure Water Soquel project. The remainder of the wastewater will still be available to improve drought resilience, for instance, in countering saltwater intrusion.

There are other examples of wastewater recycling in California. Orange County Water District's Groundwater Replenishment System (GWRS) became operational in 2008. It has since produced more than 365 billion gallons of drinking water from wastewater.^[44]

Additionally, Santa Clara Valley Water District expects to produce eight billion gallons of potable water from wastewater per year beginning in 2025, with a target of increasing production to 15 billion gallons per year. [45]

Limitations on Resilience Posed by District and Agency Charters

As mentioned previously, Santa Cruz County lacks external water resources. Multiple independent agencies, as well as individual well owners, share groundwater and surface resources. While there is meaningful cooperation and collaboration among agencies, periodically district-centric objectives and strategies come into conflict. During interviews on district priorities, phrases such as "protect our districts" surfaced. However, water in Santa Cruz County need not be viewed as a zero-sum game.

This report points to many opportunities for collaborations that share water and improve water security for all residents. Unfortunately, there is no oversight agency or organizational structure in place to resolve conflicts and ensure that outcomes serve the greater good of the entire County. The end result is delay. Decades are spent on seemingly straightforward and beneficial projects, such as:

- Projects addressing saltwater intrusion have been a multi-district issue since the 1980s.
- The Santa Cruz City Water Department, along with the San Lorenzo Valley Water District and the Scotts Valley Water District, has been evaluating San Lorenzo River water-sharing since the early 2000s.

Collaboration is not the same as leadership. Our interviewees made it clear that an agency taking a leadership position would imply they had the funding to implement projects. Individual water districts are not tasked with a county-wide focus and they lack

both the funds and authority to address this void in leadership. The groundwater agencies are chartered only for aquifer sustainability. As discussed previously, sustainability is only one component of drought resilience. With no consistently funded leadership, the districts cannot align for the greater good.

Achieving a Resilient Future

While Santa Cruz County's water resources are vulnerable to unpredictable climatic conditions, there is a clear path forward to drought resilience. The key to creating a resilient water future for Santa Cruz County residents is storing more of the surface water that falls as rain during the winter. The overdrawn condition of the Mid-County and Santa Cruz Mountains aquifers has created ample headroom for stashing surface water during the rainy season. Only a small percentage of the San Lorenzo River's rainy season flow is captured. The vast majority flows into Monterey Bay.

If Santa Cruz County is to attain water security in the presence of climate change and droughts, developing a strategy to capture, move, and store our rainy season surplus is essential. We found there are well-documented proposals for capturing and storing excess rainy season surplus water to provide water security for the future. The problem is execution. Management of the County's water is controlled by numerous independent agencies. While these agencies share a common goal of providing their own customers with abundant clean water, they are not resourced or chartered to plan, fund, and build a cohesive water capture and supply infrastructure to deliver regional drought resiliency. Examples of district-centric execution are well-documented in the previous sections. Notably:

- Pure Water Soquel: Saltwater intrusion and well resting
- College Lake: Wet season water capture and distribution

Specific benefits of adopting a more integrated and regional agency structure include:

- Improving credibility when requesting grant funds for large infrastructure projects such as pipelines. These projects all improve flexibility and resiliency but are expensive to build.
- Improving flexibility and reaction time when moving water across district boundaries. This change can provide better service to residents as well as protection against saltwater intrusion.
- Simplifying the planning and project execution: this is necessary to make full use
 of recycled water, such as could be sourced from Watsonville and Santa Cruz.

In short, it is time to recognize that the medley of collaboration and cooperation at the interdistrict level has not delivered resiliency. Figure 7 shows the current set of connecting pipelines between districts.

1 Scotts Valley to San Lorenzo emergency exchange
2 Santa Cruz Wastewater Treatment Facility (Neary Lagoon) recycled water to Soquel Creek Water District for saltwater intrusion prevention

Connecting pipelines

Figure 7. Interdistrict Water Supply Connecting Pipelines (Source: Santa Cruz County Grand Jury)

It is time to move toward a more integrated set of agencies that can achieve the following:

- Create a wet-weather runoff capture system, strategic aquifer-based water reserve, and a robust connecting pipeline fabric between districts to optimize water use.
- Demonstrate broad consensus to strengthen the case for major infrastructure funding from state and federal sources.
- Embrace innovative approaches to improving resilience. For example, establishing a continuous chain of saltwater intrusion protection wells along the existing railway right of way. This change could leverage recycled wastewater from Santa Cruz and Watsonville.
- Deliver County residents water security that will support economic prosperity despite expected droughts.

Figure 8 shows the key elements required to achieve drought resilience. It is based on proposals that have existed for years but have not yet been addressed as a unit. The approval of the EIR opens the door for this work to be done.

1 Loch Lomond rainy season storage (existing)
2 San Lorenzo River rainy season flow (existing)
3 Felton and Tait pumping stations for San Lorenzo River rainy season flow (existing)
4 Santa Margarita rainy season groundwater injection (future)
5 Neary Lagoon year-round recycled wastewater creation (existing)
6 Mid-County wastewater and rainy season groundwater injection (future)
Connecting pipelines

Figure 8. **Drought Resilience Components** (Source: Santa Cruz County Grand Jury)

The Mid-County and North County regions both have groundwater management agencies. The City of Santa Cruz is a member of each agency. Each agency is a Joint Powers Authority (**JPA**) and both are currently chartered to only address aquifer sustainability. As such, any activity to support drought resilience is currently out of scope.

The agreements forming these JPAs can be amended by the member agencies that formed them. A new amendment could be added to support drought resilience. Such a move could upgrade drought-resilience proposals (such as the City of Santa Cruz Water Augmentation Strategy) to the regional level. This revision is not a complex process requiring state-level approval. [46] The Amendment form appears as Appendix D.

Conclusion

Severe, multi-year droughts are part of our future. Conservation is not sufficient because the reduced water supply during Stage 5 droughts will cause severe economic hardship across residences, businesses, and farms. The existing patchwork of agencies has not shown vision and initiative to knit their individual plans together. Some of the most ambitious plans are barely known to the public.

The most critical next step is delivering major new water storage by reclaiming unused aquifer space in Mid-County and North County. This step creates the strategic groundwater reserve described in the City of Santa Cruz Water Rights Project and Augmentation Strategy. Beyond storage, a fabric of pipelines should be created to enable water sharing between districts. Figure 9 identifies the elements of an integrated approach.

A Unified Approach to Achieving Drought Resilience

- Single point of leadership
- Integrated planning and collaboration
- Coordinated development
- Published goals and governance
- Straightforward public communications

Multiple Water Sources

- Rainwater to aquifer
 Customers
- Rainwater to surface flow
- Surface flow to reservoir and aguifer recharge
- Recycled wastewater

Multiple Water Uses

- Reservoir refill
- Active and passive aguifer recharge
- Recycled wastewater
- Counter saltwater intrusion

Diversified Storage

- Surface reservoirs
- Sustainable aquifers
 Interdistrict water
- Aquifer recovery beyond sustainability

Transport and Redirection

- sharing
- Passive and active aguifer storage and recovery
- Recycled wastewater transport

Figure 9. A Unified Approach to Achieving Drought Resilience (Source: Santa Cruz County Grand Jury)

Consistent access to water through drought resilience supports County residents and the economy. The combination of surface and groundwater storage, wastewater recycling, and pipelines will deliver the drought resilience that the County requires to thrive and prosper. Now is the time for agencies to work together to deliver drought resilience to residents.

Findings

Findings describe the "so what" of the facts evaluated by the Grand Jury. They provide support for the Recommendations.

Current Situation

- F1. If extended drought conditions lead the City of Santa Cruz to execute Stage 5 of its Water Shortage Contingency Plan, it will have extreme economic impacts on all residents throughout the County.
- **F2.** There is an urgent need to create a county-wide drought-resilient water storage and delivery infrastructure.
- **F3.** Interdistrict water-sharing plans spanning North County and Mid-County that could benefit all residents have existed since 2015 and deserve to be accelerated.

Elements of a Solution

- **F4.** Establishing a strategic groundwater reserve, as described in documents from the City of Santa Cruz, is a well-understood and achievable first step.
- **F5.** The City of Santa Cruz's completion of the water rights revision project is a critical element of enabling district collaboration in support of county-level drought resilience.

- **F6.** Limited interdistrict water transfers have been achieved and serve as proof of concept.
- **F7.** Existing City of Watsonville and City of Santa Cruz wastewater resources are only partially utilized to address passive well resting and saltwater intrusion issues.

Agency Capabilities

- **F8.** Each agency described in this report communicates well with neighboring agencies, but collaboration is limited and narrow in scope.
- **F9.** Agency communications to the public emphasize conservation and sustainability while downplaying agency planning to achieve drought resilience.
- **F10.** The individual water supply districts lack funding, resources, and charters to develop county-centric drought-resilience infrastructure.
- **F11.** The Groundwater Sustainability Management agencies lack the charters, staff, and resources to plan or execute a county-wide drought-resilience strategy.
- **F12.** There is no county-level agency chartered to plan, propose, or build regional district-spanning drought-resilience infrastructure.

Recommendations

Recommendations reflect the "now what?" conclusions drawn by the Grand Jury, and are based on the Findings. They frame expectations for how the agencies can improve their service to County residents.

- **R1.** By December 31, 2022, the Boards of the Santa Margarita Groundwater Management Agency and the Mid-County Groundwater Management Agency should extend their charters to include and proactively deliver drought-resilience project planning and execution. (F1–F6, F8–F12)
- R2. By December 31, 2022, local water districts should jointly publish an integrated drought-resilience action plan that includes essential infrastructure improvements, estimated costs and schedule to complete improvements that will deliver drought resilience to the Mid-County Groundwater Basin, the City of Santa Cruz, and the Santa Margarita Basin by December 31, 2029. Agencies to respond are the San Lorenzo Water District, the Scotts Valley Water District, the City of Santa Cruz Water Department, the Soquel Creek Water District, the Santa Margarita Groundwater Management Agency, and the Mid-County Groundwater Management Agency. (F1–F6, F8–F10, F12)

R3. By December 31, 2022, local water districts should jointly publish an integrated recycled wastewater action plan that specifies the infrastructure improvements, expected costs, and construction schedule that will fully utilize existing wastewater sources by December 31, 2026. Responding agencies are the Scotts Valley Water District, the City of Santa Cruz Water Department, the Soquel Creek Water District, the Central Water District, the Mid-County Groundwater Management Agency, the Pajaro Valley Water Management Agency, and the City of Watsonville Water Division. (F1, F6–F9, F12)

Commendations

- **C1.** The City of Santa Cruz Water Department, the Santa Margarita Groundwater Agency, and the Mid-County Groundwater Agency have shown strong collaboration and innovation toward partially defining the water reserve plan.
- **C2.** The Soquel Creek Water District and the City of Santa Cruz Water Department have shown strong collaboration to deliver the Pure Water Soquel project.

Required Responses

Responses are the opportunity for agency boards and leaders to advise County residents on how or whether they will address the Findings and Recommendations. Those responses can guide residents to better understand the priorities and values of those boards and their leaders. The Grand Jury will publish those responses later this year and may do a followup report in three years.

Required Respondent	Findings	Recommendations	Respond Within/ Respond By
City Council, City of Santa Cruz	F1, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Board of Directors, Mid-County Groundwater Management Agency	F6, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Board of Directors, Santa Margarita Groundwater Management Agency	F8, F9, F10, F11, F12	R1, R2	90 Days August 22, 2022
Board of Directors, Scotts Valley Water District	F2, F3, F4, F6, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Board of Directors, San Lorenzo Valley Water District	F2, F3, F4, F6, F8, F9, F10, F11, F12	R1, R2	90 Days August 22, 2022

Board of Directors, Soquel Creek Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Board of Directors, Pajaro Valley Water Management Agency	F6, F9	R3	90 Days August 22, 2022
City Council, City of Watsonville	F6, F9	R3	90 Days August 22, 2022

Invited Responses

Invited Respondent	Findings	Recommendations	Respond Within/ Respond By
Director, City of Santa Cruz Water Department	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Point of Contact, Mid-County Groundwater Management Agency	F2, F4, F6, F7, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Point of Contact, Santa Margarita Groundwater Management Agency	F2, F3, F4, F8, F9, F10, F12	R1, R2	90 Days August 22, 2022
General Manager, Scotts Valley Water District	F1, F2, F4, F7, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
District Manager, San Lorenzo Valley Water District	F1, F2, F3, F4, F8, F9, F10, F11, F12	R1, R2	90 Days August 22, 2022
General Manager, Soquel Creek Water District	F1, F2, F3, F4, F6, F7, F8, F9, F10, F11, F12	R1, R2, R3	90 Days August 22, 2022
Executive Officer , Santa Cruz County Local Area Formation Commission	F10, F11, F12,	R1	90 Days August 22, 2022
General Manager, Pajaro Valley Water Management Agency	F6, F9, F12	R3	90 Days August 22, 2022
Operations Supervisor, City of Watsonville Water Department	F6, F9, F12	R3	90 Days August 22, 2022

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Disclaimer

This report was issued by the Grand Jury with the exception of one juror who disclosed a perceived conflict of interest. This juror was excluded from every aspect of the investigation, including interviews, deliberations, and the writing and approval of this report.

Appendix A—Who Is Involved with Water in Santa Cruz County?

Residents of Santa Cruz County obtain water from a variety of sources—from city water departments to private wells. The geography and rural nature of the County has generated fragmented water delivery and management agencies. This report considers only the larger agencies that are within the oversight granted to the jury.

Water Delivery Agencies

Water is provided to the residents of Santa Cruz County by five large (greater than 1,000 connections), four small (200–1,000 connections), and 115 minor water suppliers. Additionally, there are some 8,000 private wells. Each of these suppliers effectively operates independently, although there is significant communication and cooperation among the agencies. As described in the Background section, water is sourced from rivers and creeks (surface flow), and groundwater basins underlying much of the County. Table 1 catalogs the major water suppliers and the sources of their water. This table is based on a more comprehensive version found in the *Santa Cruz County Water Resources Management Status Report for 2020* (page 24)^[47] and repeated in Appendix B.

It is immediately apparent from the table that most of the County's water comes from groundwater. The City of Santa Cruz Water Department is the exception, obtaining nearly all of its water from surface flow, specifically the San Lorenzo River and creeks in the northern part of the County. In contrast, the City of Watsonville and the Soquel Creek Water District get their water from groundwater. Overall, the County receives about 75 percent of its water from groundwater and 25 percent from surface water.

Groundwater Management Agencies

Under the Groundwater Sustainability Act, groundwater management agencies are charged with achieving groundwater sustainability. Capital projects are generally undertaken by the individual water agencies to support the objectives of the groundwater management agency.

Santa Margarita Groundwater Agency (SMGWA). The SMGWA operates through a Joint Powers Authority (JPA), with members from the San Lorenzo Water District, the Scotts Valley Water District, and Santa Cruz County. Under the SGMA, the Groundwater Sustainability Plan for the Santa Margarita Groundwater Basin was completed ahead of the statutory requirement in November 2021. [48]

Mid-County Groundwater Agency. The MGA operates through a Joint Powers Authority, with members from Santa Cruz County, the City of Santa Cruz, the Soquel Creek Water District, and the Central Water District. The State designated the Mid-County Basin as being critically overdrafted in 2015. Under the SGMA, this designation required production of the Santa Cruz Mid-County Groundwater Sustainability Plan by January 2020. This plan was produced by the MGA and is intended to achieve and maintain groundwater stability over a 50-year planning and implementation horizon.

Table 1. Water Sources and Water Agencies

		Annual Usage		ce (percentage)
Entity	Population	(Billion Gallons)	Ground	Surface / (Other)
Santa Cruz City Water Department	97,417	2.7	5	95
Watsonville City Water Service	65,966	2.3	100	0
Soquel Creek Water District	40,632	1.1	97	3
San Lorenzo Valley Water District	23,700	0.6	53	47
Scotts Valley Water District	10,709	0.4	87	13 (recycled)
Other Residential Water Districts	16,017	0.8	80	20
Private Wells	21,000	0.8	100	0
Total Residential / Commercial	275,441	8.8 Billion Gallons	6.2 Billion Gallons	2.6 Billion Gallons
Pajaro Agriculture		7.2	92	17 (recycled)
Mid- and North County Agriculture		0.8	90	10
Total Agricultural Billion Gallons		8.0	7.5	0.5
Total Annual Surface and Groundwater Usage Billion Gallons		16.8	13.7	3.1

Source: Pajaro Valley Water Management Agency (PVWMA). The PVWMA operates independently and is responsible for agricultural water delivery in its service region. The Pajaro Valley Basin is rated as "critically overdrafted." Under the SGMA, this designation required production of a Groundwater Sustainability Plan by January 2020. This plan was produced by the PVWMA and is intended to achieve and maintain groundwater stability over a 50-year planning and implementation horizon. [50]

The Other Players

The following are several local and state agencies that shape local projects and agencies and could contribute to developing county-wide drought resilience.

Resource Conservation District (RCD). In the area of drought resilience, the RCD has programs in South County that help farmers develop percolation systems. Percolation systems assist with groundwater recharge. These programs appear to be available

when requested by farmers. The agency does not seem to be participating with water districts directly on drought resilience.

Local Agency Formation Commission (LAFCO). LAFCO provides guidance when new special-purpose districts are formed. They also review district performance on a five-year cycle. All of the water supply districts and groundwater management agencies were formed under LAFCO guidance.

California Department of Water Resources (DWR). The DWR oversees execution of state laws that affect water delivery. This oversight includes approving the Water Supply Contingency plans and Groundwater Sustainability Management plans created by local agencies. The DWR is authorized to step in and manage groundwater basins if the local agencies do not meet state requirements.

Appendix B—Water By the Numbers

Table 2. Water Use in Santa Cruz County, 2020

(data for smaller systems is from 2019)

	(aata	ioi siriali e i	Cy Clottic 10	110111 20	13)		
Water Supplier	Connections	Population	Water Use (acre-feet /year)	Ground Water	Surface Water	Recycled Water	Imported from Outside County
Santa Cruz City Water Department	24,561	97,417	8,375	5.0%	95.0%		
Watsonville City Water Service	14,855	65,966	7,201	100.0%	0.0%		
Soquel Creek Water District	14,479	40,632	3,312	96.7%	3.3%		
San Lorenzo Valley Water District	7,900	23,700	1,953	53.0%	47.0%		
Scotts Valley Water District	3,807	10,709	1,339	87.0%		13.0%	
Central Water District	823	2,706	411	100.0%			
Big Basin Water Company	605	1,694	205	37.0%	63.0%		
Mount Hermon Association	494	2,850	155	100.0%			
Forest Lakes Mutual Water Company (Felton)	326	1,076	40	100.0%			
Smaller Water Systems (5–199 connections.)	2,616	7,691	1,552	91.0%	6.0%		3.0%
Individual Users*	8,000	21,000	2,400	95.0%	5.0%		
Pajaro Agriculture (Santa Cruz County-only)** [†]			22,250	92.0%	1.0%	7.2%	
Mid- and North-County Agriculture*			2,400	90.0%	10.0%		
Totals	78,466	275,441	51,593	78%	19%	3%	0.1%
Summary by Wate	r Source (acre-	feet/year)		40,027	9,788	1,776	47
Summary of Non-Agricultural Use (acre-feet/year)			26,943	17,397	9,326	174	47

^{*} Values are estimates. ** Includes a small number of water systems.

Source: Santa Cruz County Water Resources Management Status Report for 2020 (page 24)[47]

[†]Recycled water source is the City of Watsonville.

Drought Stages and Water Consumption Reduction for the City of Santa Cruz

The following chart shows how business use of water is cut back as drought severity increases.

Sample Business Allocation Example

Customer	Normal Demand	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	(Million Gallons)	Delivery	Delivery	Delivery	Delivery	Delivery
Class	Jun-Nov	(%)	(%)	(%)	(%)	(%)
		Volume	Volume	Volume	Volume	Volume
		(MG)	(MG)	(MG)	(MG)	(MG)
Business	297	95%	90%	85%	79%	60%
Total		282	267	252	234	178
Business Use		202	207	232	234	1/0

Source: *Updated Interim Water Shortage Contingency Plan* (Table 12, page 23), City of Santa Cruz Water Department, February 5, 2021.^[10]

Appendix C—Supporting Reports

Key Documents

The Grand Jury reviewed the major published documents from numerous water agencies to determine how they plan to improve drought resilience. Most available plans are written to support the application for grants from state and other agencies. These agencies specify the content and the format of the documents. Typically, these plans intentionally lack the specificity that would require preparing an Environmental Impact Report. These documents are updated, usually on a five-year schedule. Progress from the previous plan is often required in each update.

Local Hazard Mitigation Plan. This class of document is not a plan to mitigate local hazards such as drought. Rather, it is a catalog of local hazards, with commentary on how they could be addressed. It is in place so agencies can apply for grants to address issues as they arise, or to receive state or federal funds after a disaster.

Water Shortage Contingency Plan. This documents how water restrictions are applied during drought conditions. It reflects local priorities for residential and commercial use and agriculture.

Groundwater Sustainability Plan. This plan is a requirement of the Sustainable Groundwater Management Act (SGMA, 2014), and it documents current groundwater supplies, usage patterns, and approaches to maintain the current aquifer levels. Recovery beyond the current depleted state is not addressed. Both the Santa Cruz Mid-County Groundwater Agency and the Santa Margarita Groundwater Agency have Groundwater Sustainability plans.

Urban Water Management Plan. This is a requirement under the Urban Water Management Act. The Scotts Valley Water District and the San Lorenzo Valley Water District prepared a joint Urban Water Management Plan. The cities of Santa Cruz and Watsonville and the Soquel Creek Water District have these plans.

Santa Cruz Water Rights Project Environmental Impact Report 2021. The EIR is required to address the necessary changes to the historical water rights on the San Lorenzo River. The current rights do not allow sending surplus water to neighboring water districts

Final Report, Conjunctive Use and Water Transfers Phase II—(Task 6), 2015. This report documents the results of studies conducted to demonstrate the feasibility of storing excess San Lorenzo River water in the Santa Margarita and Mid-County groundwater basins.

Appendix D—Amendment of a Joint Powers Agreement

Amending the charter for a JPA requires the following application form.

1	State of Californ Secretary of Stat	120:22	FILE NO
MENDMEN	OF A JOINT POWERS A (Government Code section 6503.5)		
Instructions:			
	d mail to: Secretary of State, P.O. Bo CA 94277-2870.	ox 942870,	
2. Include filing	fee of \$1.00.		(Office Use Only)
3. Do not inclu	le attachments.		E DE LO CONTRACTO MONTH AND A CONTRACTO AND A CONTRACTOR
	full text of the joint powers agreemen		s, if any, must be submitted to the State iller's office at www.sco.ca.gov .
Date of filing initial	notice with the Secretary of State:		
	Description of the second of t		
Name of the agen	CALLESTAN CONTROL OF THE PARTY AND THE PARTY OF THE PARTY		e for the administration of the agreement:
Name of the agen Agency's or Entity	cy or entity created under the agreeme		
Name of the agen Agency's or Entity Title of the agreen Complete one or r	cy or entity created under the agreements sometimes and sometimes and sometimes and sometimes are sometimes.	s been amended t	o:
Agency's or Entity Title of the agreen Complete one or r	ey or entity created under the agreement is Mailing Address: ment: more boxes below. The agreement has e parties to the agreement as follows:	s been amended t	o:
Agency's or Entity Title of the agreen Complete one or r Change th	ey or entity created under the agreement is Mailing Address: nent: nore boxes below. The agreement has e parties to the agreement as follows: e name of the administering agency or	s been amended t	0:
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Agency's or Entity Title of the agreen Complete one or r [s Mailing Address: Ident: Incre boxes below. The agreement has e parties to the agreement as follows: In a purpose of the agreement or the power short title of the agreement as follows:	s been amended to r entity as follows: wers to be exercis	o: ed as follows:
Agency's or Entity Title of the agreen Complete one or r [s Mailing Address: Ident: Incre boxes below. The agreement has e parties to the agreement as follows: In a purpose of the agreement or the power short title of the agreement as follows:	s been amended to rentity as follows: wers to be exercises:	o: ed as follows:
Agency's or Entity Title of the agreen Complete one or r [s Mailing Address: Ident: Incre boxes below. The agreement has e parties to the agreement as follows: In a purpose of the agreement or the power short title of the agreement as follows:	s been amended to rentity as follows: wers to be exercises: Da Sig	o: ed as follows:

Figure 10. Amendment of a Joint Powers Agreement^[51]



The 2021–2022 Santa Cruz County Civil Grand Jury Requires the

Board of Directors, Mid-County Groundwater Management Agency

to Respond by August 22, 2022

to the Findings and Recommendations listed below which were assigned to them in the report titled

Our Water Account Is Overdrawn

Beyond Conservation: Achieving Drought Resilience

Responses are **required** from elected officials, elected agency or department heads, and elected boards, councils, and committees which are investigated by the Grand Jury. You are required to respond by the California Penal Code (PC) §933(c).

Your response will be considered **compliant** under <u>PC §933.05</u> if it contains an appropriate comment on **all** findings and recommendations **which were assigned to you** in this report.

Please follow the instructions below when preparing your response.

Our Water Account Is Overdrawn

Published on May 24, 2022

Page 1 of 13

Instructions for Respondents

Your assigned <u>Findings</u> and <u>Recommendations</u> are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase <u>PC §933.05</u>:

- 1. For the Findings, mark one of the following responses with an "X" and provide the required additional information:
 - a. AGREE with the Finding, or
 - b. **PARTIALLY DISAGREE with the Finding** specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** provide an explanation of the reasons why.
- 2. For the Recommendations, mark one of the following actions with an "X" and provide the required additional information:
 - a. HAS BEEN IMPLEMENTED provide a summary of the action taken, or
 - b. HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** provide an explanation of why it is not warranted or not reasonable.
- 3. Please confirm the date on which you approved the assigned responses:

We approved these re	esponses in a regular public meeting a	s shown
in our minutes dated	<u>.</u>	ı

4. When your responses are complete, please email your completed Response Packet as a PDF file attachment to both

The Honorable Judge Syda Cogliati <u>Syda.Cogliati@santacruzcourt.org</u> **and** The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury.org.

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 2 of 13

Findings

F6.	Limited interdistrict water transfers have been achieved and serve as proof
	of concept.

AGREE

X PARTIALLY DISAGREE

__ DISAGREE

Response explanation (required for a response other than Agree):

The MGA recognizes that interdistrict water transfers, in this case specifically between the City of Santa Cruz Water Department and Soquel Creek Water District, may have a role in the sustainability of the Basin. Water Transfers are included as a Project in the Groundwater Sustainability Plan. Already, water has been transferred four (4) times since 2015 with an average of approximately 34 acre-feet per year.

How well these transfers serve as a "proof of concept" of any particular management strategy is questionable. Modeling by the City of Santa Cruz demonstrated that there is not available surface water to provide the reliability required by Soquel Creek Water District to meet their needs. Therefore, without the addition of other water supply projects, water transfers will not cause the Basin to achieve sustainability. Many factors can influence the potential success of a large-scale water transfer program which have not been fully explored, including the geologic characteristics of the aquifer and its ability to retain water for later use by the City of Santa Cruz as part of their drought resiliency efforts.

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 3 of 13

PARTIALLY DISAGREE

X DISAGREE

Response explanation (required for a response other than Agree):

The agencies that comprise the MGA, as well as the neighboring Santa Margarita Groundwater Agency (SMGWA), do communicate well. However, the breadth of collaboration between agencies varies depending on opportunities for mutual benefit and in some cases is quite comprehensive.

The development of the two Groundwater Sustainability Agencies as Joint Powers Authorities (JPAs) in these adjacent Basin involved, and continues to involve, ample collaboration amongst the participating agencies. The JPAs are legally binding agreements that were negotiated extensively throughout their development. The inclusion of individual agency projects within the Groundwater Sustainability Plan involved regional prioritization, and jointly funded groundwater modeling. The two GSAs partnered on a regional Data Management System (DMS) to collect and store all the relevant water data from each water agency – the DMS serves as an example of a collaboration among the agencies. The MGA has a seat at the County's Senate Bill 552 drought response working group, as does the SMGWA, Pajaro Valley Water Management Agency (PVWMA), and other local stakeholders.

The collaboration between the Soquel Creek Water District and City of Santa Cruz Water Department is particularly extensive. The water transfers required jointly-managed studies before and during the transfers, and the associated legal agreements. They are currently working together on modeling the operational opportunities for their water management projects within the Basin. Once the projects are built, the operators will need to be in constant communication. In short, regional collaboration is ongoing and can in no way be described as "limited and narrow in scope."

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 4 of 13

F9.	Agency communications to the public emphasize conservation and sustainability while downplaying agency planning to achieve drought resilience.
	AGREE
_	PARTIALLY DISAGREE
X	DISAGREE
Respo	nse explanation (required for a response other than Agree):
meeting facilities to the Sustan was a particular to droof act we conse	its inception in 2016, the MGA has done extensive outreach including public ngs and workshops, tabling at public events, brochures, postcards, a tour of es, a website, an email listserve, radio interviews and newspaper editorials. Due mandate for a Groundwater Sustainability Agency as required under the inable Groundwater Management Act of 2014, the primary focus of the outreach lways, appropriately, groundwater sustainability. However, for this Basin in ular, there is no separating groundwater sustainability from drought resilience, are one in the same. If groundwater elevations along the coast were to drop due ught, severe damage would be done to the Basin by intruding seawater. This as communicated repeatedly. The MGA has never communicated that water rvation alone could provide groundwater sustainability or drought resilience. SSP was evaluated using a climate scenario that includes several periods of ht, to ensure that minimum thresholds will continue to be met.

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 5 of 13

F10.	The individual water supply districts lack funding, resources, and charters to develop county-centric drought-resilience infrastructure.
X	AGREE
_	PARTIALLY DISAGREE
_	DISAGREE
Respo	nse explanation (required for a response other than Agree):

Required Response from the **Board of Directors, Mid-County GMA**Our Water Account Is Overdrawn Due by August 22, 2022 Page 6 of 13

F11.	The Groundwater Sustainability Management agencies lack the charters, staff, and resources to plan or execute a county-wide drought-resilience strategy.						
X	AGREE						
_	PARTIALLY DISAGREE						
_	DISAGREE						
Respo	Response explanation (required for a response other than Agree):						
impor by a v lackin meml	e this is true on an individual Groundwater Sustainability Agency (GSA) level, it is trant to note that the vast majority of the County population lives in or is served water agency that participates in, one of the GSAs. Therefore, regardless of ag charters, staff and resources, the collective impacts of the GSAs and their ber agencies working towards achieving groundwater sustainability will have a y county-wide positive impact on drought resilience.						

Required Response from the **Board of Directors, Mid-County GMA**Our Water Account Is Overdrawn Due by August 22, 2022 Page 7 of 13

F12.	There is no county-level agency chartered to plan, propose, or build regional district-spanning drought-resilience infrastructure.			
X	AGREE			
	PARTIALLY DISAGREE			
	DISAGREE			
Respo	onse explanation (required for a response other than Agree):			
There are many agencies that collectively span the entire County, and there have been county-level efforts for decades to help our region become more water secure. Another county-level agency is not necessary, and potentially not even desirable, due to the proven collaborative efforts of the local water agencies and the high cost of creating and running an agency.				

Required Response from the **Board of Directors, Mid-County GMA**Our Water Account Is Overdrawn Due by August 22, 2022 Page 8 of 13

ADDITIONAL FINDINGS (invited responses from the Mid-County Groundwater Agency Point of Contact)

There is an urgent need to create a county-wide drought-resilient water

F2.

	storage and delivery infrastructure.				
_	AGREE				
_	PARTIALLY DISAGREE				
X	DISAGREE				
Respo	Response explanation (required for a response other than Agree):				
The urgency for, and availability of, drought resilient water projects varies significantly throughout the County. There is not a simple one-size-fits-all solution as this finding implies. Through the projects already underway, the water supply agencies are making significant progress at tackling water supply security.					
F4.	Establishing a strategic groundwater reserve, as described in documents from the City of Santa Cruz, is a well-understood and achievable first step.				
_	AGREE				
X	PARTIALLY DISAGREE				
_	DISAGREE				
Respo	onse explanation (required for a response other than Agree):				
This Finding does not describe what the "establishment of a groundwater reserve" is a first step in achieving. The MGA does identify "maintaining a drought reserve" as part of the Sustainability Goal included in the Groundwater Sustainability Plan.					
happe the Fi Depa	Groundwater Sustainability Plan outlines several critical projects that should en concurrently for the Basin to reach sustainability, not one before the other as inding implies. One of these projects is the City of Santa Cruz Water rtment's Aquifer Storage and Recovery project in the Mid-County Basin. The Water Soquel Project is another.				

Commented [SR1]: These Findings were not included in the MGA Board response packet, however it was included in the MGA POC packet (which is optional). Since the POC will not be providing a response, I've drafted one here that we could consider including.

Required Response from the **Board of Directors, Mid-County GMA**Our Water Account Is Overdrawn Due by August 22, 2022 Page 9 of 13

F7.	Existing City of Watsonville and City of Santa Cruz wastewater resources are only partially utilized to address passive well resting and saltwater intrusion issues.				
X	AGREE				
_	PARTIALLY DISAGREE				
_	DISAGREE				
Response explanation (required for a response other than Agree):					
The MGA agrees that the City of Santa Cruz wastewater resources are not fully utilized.					
The MGA is not directly involved with the City of Watsonville and Pajaro Valley Water Management Agency on their wastewater resources and cannot respond to that item.					
Response explanation (required for a response other than Agree): The MGA agrees that the City of Santa Cruz wastewater resources are not fully utilized. The MGA is not directly involved with the City of Watsonville and Pajaro Valley Water					

Recommendations

- **R1.** By December 31, 2022, the Boards of the Santa Margarita Groundwater Management Agency and the Mid-County Groundwater Management Agency should extend their charters to include and proactively deliver drought-resilience project planning and execution.
- ___ HAS BEEN IMPLEMENTED summarize what has been done
 - HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE -
- summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS explain the scope and timeframe (not to exceed six months)
- _X_ WILL NOT BE IMPLEMENTED explain why

Required response explanation, summary, and timeframe:

The MGA operates under the powers and responsibilities provided by the Sustainable Groundwater Management Act of 2014 (SGMA). These powers and responsibilities are limited to achieving groundwater sustainability within the Santa Cruz Mid-County Groundwater Basin. To the extent that achieving groundwater sustainability will also deliver drought-resiliency, the MGA is committed to take action. Specifically, the Sustainability Goal in the adopted and approved Groundwater Sustainability Plan includes "ensure operational flexibility within the Basin by maintaining a drought reserve."

During the development of the Groundwater Sustainability Plan, the MGA Board determined that the MGA would take a limited role in project development and implementation. Rather, the Board understood that the water supply agencies that comprise the Joint Powers Authority are better positioned to lead the design and implementation of multi-benefit projects. Neither the MGA nor the SMGWA have any direct staff.

To change the charter of the MGA would require substantial funds to hire staff to plan for projects beyond those already in the approved GSP; it would lead to questions of "scope-creep" as it is beyond the powers and responsibilities authorized by SGMA; it would be ineffective, as the water supply agencies are better suited to focus on drought response; and it would be unnecessary, as the MGA is already committed to maintaining a drought reserve within the Basin.

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 11 of 13

- R2. By December 31, 2022, local water districts should jointly publish an integrated drought-resilience action plan that includes essential infrastructure improvements, estimated costs and schedule to complete improvements that will deliver drought resilience to the Mid-County Groundwater Basin, the City of Santa Cruz, and the Santa Margarita Basin by December 31, 2029. Agencies to respond are the San Lorenzo Water District, the Scotts Valley Water District, the City of Santa Cruz Water Department, the Soquel Creek Water District, the Santa Margarita Groundwater Management Agency, and the Mid-County Groundwater Management Agency.
- **HAS BEEN IMPLEMENTED –** summarize what has been done
 - HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE -
- summarize what will be done and the timeframe
- **REQUIRES FURTHER ANALYSIS** explain the scope and timeframe (not to exceed six months)
- _X_ WILL NOT BE IMPLEMENTED explain why

Required response explanation, summary, and timeframe:

Cross-agency collaboration towards regional water supply security has been ongoing for decades. This is documented in publicly available resources, which include the following:

- Individual water agency Urban Water Management Plans, water supply plans, and associated studies
- The Groundwater Sustainability Plans for MGA and SMGWA which feature projects developed by several partner agencies
- Agreements put in place to promote collaborative work including those for water transfers and operational studies between the City of Santa Cruz and Soquel Creek Water District, and a Memorandum of Understanding between the County of Santa Cruz, the City of Santa Cruz, San Lorenzo Valley Water District, and Scotts Valley Water District to investigate options for conjunctive use
- The Integrated Regional Water Management Plan for Santa Cruz County
- The Annual Water Resources Status Report produced by the County of Santa Cruz with updates on all the major water management programs throughout the County.

Neither the water supply agencies, nor the MGA and SMGWA, have the staff, money, or bandwidth to develop the proposed action plan. Further, the plan would be duplicative of existing efforts and not provide any tangible benefit to the taxpayers/ratepayers that would be funding it.

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 12 of 13

- R3. By December 31, 2022, local water districts should jointly publish an integrated recycled wastewater action plan that specifies the infrastructure improvements, expected costs, and construction schedule that will fully utilize existing wastewater sources by December 31, 2026. Responding agencies are the Scotts Valley Water District, the City of Santa Cruz Water Department, the Soquel Creek Water District, the Central Water District, the Mid-County Groundwater Management Agency, the Pajaro Valley Water Management Agency, and the City of Watsonville Water Division.
- HAS BEEN IMPLEMENTED summarize what has been done
 - HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE -
- summarize what will be done and the timeframe
- **REQUIRES FURTHER ANALYSIS** explain the scope and timeframe (not to exceed six months)
- _X_ WILL NOT BE IMPLEMENTED explain why

Required response explanation, summary, and timeframe:

Extensive work is underway by partners of the MGA to study the best opportunities to use recycled wastewater to achieve groundwater sustainability and provide the water supply agencies with water supply security. The MGA's Groundwater Sustainability Plan includes several recycled water projects in addition to Pure Water Soquel, which is already in the construction phase. The City of Santa Cruz Water Department is continuing to explore recycled water as part of their Water Supply Augmentation Strategy and are working with an engineering firm to study possible projects in collaboration with Soquel Creek Water District and Scotts Valley Water District.

The timeline for an integrated report as proposed in this recommendation is premature, as the regulatory landscape under which recycled water projects are permitted is expected to change to allow Direct Potable Reuse projects. Further, the studies underway by the water agencies are needed before any such plan can be finalized. And finally, this proposal is unnecessary as the agencies that can and should be engaged in recycled water project development are already working together.

Required Response from the **Board of Directors, Mid-County GMA Our Water Account Is Overdrawn**Due by **August 22, 2022**Page 13 of 13

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.3

Title: Provide Guidance for Process to Respond to Well Permit Applications

Under Governor's Executive Order N-7-22

Attachments:

1. Department of Water Resources Frequently Asked Questions on Executive Order Implementation

2. County Executive Order Compliance Document and Groundwater Sustainability Agency Approval Form

Recommended Board Action: Receive information and provide guidance to staff regarding Executive Order N-7-22 related to the MGA's role in the review and approval certain permit applications within the Santa Cruz Mid-County Basin.

Background:

On March 28, 2022, Governor Gavin Newsom signed Executive Order N-7-22 (Executive Order) in response to extreme and expanding drought conditions. Effective immediately, the Executive Order prohibits Santa Cruz County Environmental Health (Environmental Health) from issuing a permit for any new non-de minimis groundwater well pursuant to Chapter 7 of the Santa Cruz County Code unless certain requirements are met or the permit falls within the limited exception to the requirements. A complete copy of the Executive Order is available online (see Paragraph 9) (www.gov.ca.gov/wp-content/uploads/2022/03/March-2022-Drought-EO.pdf). Wells for public water systems are exempt from these conditions. The Executive Order remains in effect until drought conditions improve and the Governor determines it is no longer needed.

After discussions with representatives from other counties and from the Department of Water Resources, Santa Cruz County staff determined that a new form was required in order to implement and demonstrate compliance with Paragraph 9 of the Executive Order. This form will require an applicant to provide a report demonstrating that the well will not impact existing neighboring well users. Any new applicable well within a medium or high priority groundwater basin also needs approval from the managing Groundwater Sustainability Agency (GSA) stating that the well will not be inconsistent with their Groundwater Sustainability Plan. The attached Groundwater Sustainability Agency Compliance Form will be provided by the County to the Santa Cruz Mid-County Groundwater Agency (MGA) along with

Board of Directors August 18, 2022 Page 2 of 2

the permit application. The form must be filled out by the MGA, signed, and returned to Environmental Health.

Discussion:

The County rarely receives permits for new water uses within the Santa Cruz Mid-County Basin, however, replacement wells are not uncommon. A recent change in rates charged by Central Water District (CWD) may result in well permit applications to replace irrigation water previously supplied by CWD. The MGA must develop a plan to respond to requests from the County for review of these well permits in a timely fashion. Executive Staff is seeking guidance from the MGA Board in developing this policy.

Considerations include:

- 1) Who is the most appropriate person/people to review the applications as they come in?
- 2) Who should be authorized to sign the form?
- 3) What level of analysis should be required before approval?
- 4) Are there any specific terms the Board may want to adopt for example:
 - Replacement wells can be approved as long as the original well is accounted for in the GSP, and the water use will remain the same or be reduced?
 - New water uses cannot be approved since they were not considered in the GSP and are therefore inconsistent with the Plan?
 - Wells anticipated to use more than 15 AFY should be brought to MGA Board for approval?

Given the potentially time-sensitive nature of this situation, staff intends to draft the policy to bring back the Board for approval in September. The policy will be reviewed by the MGA's counsel before being brought to the Board.

Recommended Board Action:

1. Receive information and provide guidance to staff regarding Executive Order N-7-22 related to the MGA's role in the review and approval certain permit applications within the Santa Cruz Mid-County Basin.

Submitted By Sierra Ryan

On behalf of the MGA Executive Staff

Ron Duncan, General Manager, Soquel Creek Water District Ralph Bracamonte, District Manager, Central Water District Rosemary Menard, Water Director, City of Santa Cruz Sierra Ryan, Water Resources Manager, County of Santa Cruz

Frequently Asked Questions Document Executive Order N-7-22 Action 9: Drought Well Permitting Requirements



Purpose:

This document is intended to help clarify <u>Executive Order N-7-22</u> Action 9, which requires additional considerations before the approval and issuance of a well permit due to the increasing severity of the current drought conditions.

Frequent Asked Questions and Answers:

APPLICABILITY

Who is responsible for carrying out Action 9?

This Executive Order Action 9 applies to local well permitting agencies, such as cities, counties, or water agencies, who have the authority to adopt a local well ordinance and issue or approve well permits.

Both Action 9a and 9b are applicable for proposed wells located in a medium- or high-priority basin that have Groundwater Sustainability Agencies (GSAs). DWR has a Basin Prioritization Dashboard.

Action 9b is applicable for proposed wells located in areas outside of a basin without an established Groundwater Sustainability Agency (GSA).

How should local well permitting agencies proceed with issuing well permits based on Action 9?

Local well permitting agencies retain existing well permitting authorities, including reviewing and administering well permits under Action 9. Local well permitting agencies must take the following steps during the well permitting process for wells intending to extract groundwater:

1. Consultation with the GSA — If the proposed well location is in a high or medium priority groundwater basin, the well permitting agency must consult with the GSA and receive written verification from the GSA that the proposed well location is generally consistent (not inconsistent) with the applicable Groundwater Sustainability Plan (GSP) and will not decrease the

Excerpt of Action 9 from the Executive Order N-7-22 are as stated:

- **9.** To protect health, safety, and the environment during this drought emergency, a county, city, or other public agency <u>shall</u> not:
- **a.** Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the
 Sustainable Groundwater Management Act

and classified as medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan;

b. Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

This paragraph shall not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

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likelihood of achieving the sustainability goals that the GSAs have developed under the Sustainable Groundwater Management Act (SGMA).

2. <u>Permit Evaluation</u> – For every well permit application, the local well permitting agency must determine before issuing a well permit that extraction of groundwater from the proposed well is not likely to interfere with the production and functioning of existing nearby wells and is not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

ACTION 9 EXEMPTIONS

Is the intent of the exemption language to exclude household wells that use groundwater as their drinking water source from the requirements of Action 9?

The exemption language is intended to exempt groundwater users that use less than 2 acre-feet per year, which typically includes domestic wells users, and public water systems from Action 9.

"Public water system" as defined in section 116275 of the Health and Safety Code means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year.

TIMING

When did the Executive Order become effective? Does it apply to well permits that are pending?

The Executive Order was issued on March 28, 2022, and became effective immediately. Well permit applications submitted on or after March 28, 2022, are subject to Action 9 requirements.

This Executive Order Action 9 does not apply to well permits that were approved prior to March 28, 2022, including those that were approved but construction of the well has not begun.

The Executive Order Action 9 is applicable to pending well permits that were not yet approved as of March 28, 2022.

Is this Executive Order Action 9 temporary or permanent?

Action 9 is a temporary measure, as part of the Executive Order, that was issued due to continuing severe drought conditions. It will likely remain in effect the rest of this water year and will be rescinded by the Governor, which typically occurs when drought conditions have subsided. DWR has developed an interactive tool to help convey the many contributing factors of the drought in California, which includes data for local water supply, environment, and climate. Please visit <u>California Water Watch</u> for more information.

DECISION-MAKING

Can a well permit be approved based on Action 9a but not 9b, or vice versa?

For proposed wells located in medium- and high-priority basins, both Action 9a and 9b are applicable and must be satisfied before a well permit is issued. For proposed wells located in basins that do not have a GSA, only Action 9b is applicable. Action 9b is applicable for every well permit application.

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Could a third-party, certified hydrogeologist perform the analysis required in Action 9b for the local well permitting agencies?

The local well permitting agency can choose how they would like to proceed in addressing the requirements of Action 9, which could include using a third-party, certified hydrogeologists or other consultants to perform the analysis required in Action 9b. However, Action 9b does not require a hydrogeologist or other expert to evaluate the permit.

LAND SUBSIDENCE

What resources are available for local agencies to monitor land subsidence?

DWR is currently collecting statewide land subsidence interferometric synthetic aperture radar (InSAR) data on a quarterly basis. Land subsidence InSAR data can be viewed on the <u>California's Groundwater</u> <u>Live platform</u>.

In areas where land subsidence has recently occurred, does the Executive Order Action 9 prohibit new wells from being permitted in those areas?

Local well permitting agencies will need to determine whether extraction of groundwater from the proposed well is not likely to cause subsidence that would adversely impact or damage nearby infrastructure, as required by Executive Order Action 9b. In areas where land subsidence has recently occurred, the well permitting agency should assume that issuance of well permit would increase the likelihood of land subsidence unless compelling information indicates otherwise.

WELL ALTERATIONS OR REPLACEMENTS

Is the replacement of an existing well automatically consistent with a GSP?

A replacement well is not necessarily automatically consistent with a GSP. The local well permitting agency will need to make this decision based on the established procedures in their local ordinances. If the issuance of a well permit is required for a replacement well or well alterations, then the provisions in the Executive Order Action 9 are appliable, including receiving written verification from the GSAs that the proposed well extraction is not inconsistent with the GSP.

Does the Executive Order Action 9 apply to well destructions?

No. Executive Order Action 9 applies to the issuance of well permits and considerations of the proposed groundwater extractions of new wells or well alterations.

WELL DISTANCE

Are there minimum horizontal distance standards for drilling a new well in proximity to a nearby well?

There are not statewide well spacing standards related to nearby wells and available water supplies.

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CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Will Executive Order Action 9 require CEQA for the issuance of well permits?

Local well permitting agencies should consult with their legal staff or county counsel if CEQA would apply in complying with Executive Order Action 9.

GSP APPROVAL

How does a GSA verify that permitting is consistent with the GSP if DWR hasn't approved the GSP yet?

SGMA specifies that once a GSA adopts a GSP, the GSP can be implemented. The requirements of Executive Order Action 9 are not reliant upon DWR's approval of a GSP. GSA should rely on their adopted GSPs and the latest groundwater condition information to conduct the written verification.

GSA WRITTEN VERIFICATION

What does written verification by the GSA mean or look like?

Verification by the GSA is a qualitative review that the proposed well is not inconsistent with the GSP. Consultation with the local counsel is encouraged for determining what written verification is needed. One example is that written verification could be as simple as an email from the GSA to the local well permitting agencies.

MONITORING OR ENVIRONMENTAL WELLS

Does the Executive Order Action 9 apply to wells for environmental purposes?

Typically, monitoring wells and other environmental wells do not extract groundwater, or do not extract more than 2-acre feet per year. However, this determination will need to be made by the local permitting agency in accordance with the well permitting procedures in their local ordinances for issuing or approving well permits. Local permitting agencies should verify GSP consistency with the local GSA (if applicable).

PENALTIES OR ENFORCEMENT

Are there enforcement measures or penalties for local well permitting agencies that do not comply with the Executive Order Action 9?

There are no enforcement provisions in the Executive Order Action 9. The local well permitting agencies should work through potential issues that arise.

Will verification by the State occur for compliance with Executive Order Action 9?

There is no State enforcement nor is there a State verification process in place for Executive Order Action 9 at this time.

Is there going to be a limit placed on the amount of groundwater that can be extracted for each proposed well?

There is currently no limitation on groundwater extraction under Executive Order Action 9. GSAs may have imposed groundwater pumping limits as part of their GSP implementation. The collaboration

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between the agencies under Action 9a will help clarify this issue. Local permitting agencies need to pause and make considerations, as outlined in Action 9, before issuing well permits in this severe drought.

FUNDING

Is there any funding available for local permitting agencies or GSAs to support the Executive Order Action 9 requirements?

The State does not currently have local assistance funding related to Executive Order Action 9. Local agencies and GSAs can exercise local fee authority. Local well permitting agencies can exercise fee authority for the well permitting process. SGMA also granted GSAs fee authority to raise revenue to support administrative costs.

EMERGENCY WELL NEEDS

What if wells have already gone dry, how should households get access to tanked or interim water supply sources?

If a well has gone dry, please visit DWR's MyDryWell Reporting System website and report the dry well: https://mydrywell.water.ca.gov/. Additionally, contact the local county Office of Emergency Services for immediate assistance and emergency response to urgent drinking water needs.

For counties seeking drought assistance, please visit the State's Drought Assistance website to find Drought Funding Programs available: https://drought.ca.gov/drought-assistance/.

Does the State anticipate a supply issue for water storage tanks?

At this time, the State does not currently anticipate a supply issue for water storage tanks.

RESOURCES

Are there State resources to help make these considerations when issuing well permits required by the Executive Order Action 9?

DWR provides technical and other support services for local agencies to use for decision-making. The following resources are available to help local agencies navigate the well permitting requirements in Executive Order Action 9:

- To find the **groundwater basins subject to SGMA** and classified as medium or high priority: Basin Prioritization Dashboard
- To find the Groundwater Sustainability Agency managing the applicable basin or area of the basin: <u>GSA Map Viewer</u>
- To find the Groundwater Sustainability Plan adopted by the local Groundwater Sustainability Agency: GSA Map Viewer
- To view **existing nearby wells** (domestic, irrigation, public supply and reported dry wells): California's Groundwater Live Well Infrastructure
- To view groundwater levels and trends: California's Groundwater Live Groundwater Levels
- To view subsidence data: <u>California's Groundwater Live Subsidence Data</u>

For more information or questions about these resources, please contact DWR's Sustainable Groundwater Management Office at: SGMPS@water.ca.gov.

AGENDA ITEM 5.3.2



County of Santa Cruz

Health Services Agency - Environmental Health



701 Ocean Street, Room 312, Santa Cruz, CA 95060 (831) 454-2022 TDD/TTY - Call 711 http://www.scceh.org
EnvironmentalHealth@santacruzcounty.us

New Procedures Implementing Requirements Under Executive Order N-7-22

On March 28, 2022, Governor Gavin Newsom signed Executive Order N-7-22 (Executive Order) in response to extreme and expanding drought conditions which, effective immediately, prohibits Santa Cruz County Environmental Health (EH) from issuing a permit for a new non-de minimis groundwater well pursuant to Chapter 7 of the Santa Cruz County Code unless certain requirements are met or the permit falls within the limited exception to the requirements. A complete copy of the Executive Order is available here (see Paragraph 9a and b).

Applicability

These requirements do not apply to permits for wells that will provide less than two (2) acre-feet per year (2AFY) of groundwater for individual domestic users or that will exclusively provide groundwater to public water supply systems as defined in Health and Safety Code Section 116275.

Well Application Process

- 1) Well application must start by submission to Santa Cruz County EH (https://www.scceh.org/NewHome/Programs/LandUse/WaterWells.aspx)
 - Submissions can be made electronically or hard copy to the department
 - Fees are due at the time of submission
 - Application is reviewed by staff for accuracy, completeness, and regulatory compliance
- 2) If the application is for a well subject to Executive Order Paragraph 9b, the applicant must additionally provide:
 - A report signed and stamped by licensed professional with demonstrated appropriate competancy, such as a California licensed Professional Geologist with a Certified Hydrogeologist specialty certification, that determines and concludes extraction of groundwater from the well "is not likely to interfere with the production and functioning of existing nearby wells". (See paragraph 9b of the Executive Order). Neighboring parcel wells can be found at https://scceh.com/NewHome/EnvironmentalHealthDocuments.aspx
- 3) If the application is for a well subject to Executive Order Paragraph 9b and within the Santa Margarita, Santa Cruz Mid-County, or Pajaro Valley Basins (Paragraph 9a; go to Groundwater Basin layer under Biotic and Water Resources at https://gis.santacruzcounty.us/gisweb/ to verify):
 - Applicant must complete the top section of the Executive Order N-7-22 GSA Compliance Form
 - Staff will review for completeness and then route the complete application as well as the Executive Order N-7-22 GSA Compliance Form to the appropriate GSA for review
 - The GSA must sign the form to indicate that groundwater extraction by the proposed well
 would not be inconsistent with any sustainable groundwater management program
 established in any applicable Groundwater Sustainability Plan or alternative adopted by that
 Groundwater Sustainability Agency and would not decrease the likelihood of achieving a
 sustainability goal for the basin covered by such a plan
 - GSA Compliance Form will be reviewed; if well is deemed consistent with GSP or alternative and adheres to all other regulatory requirements, well application is processed and well permit issued by EH within the 10-day period allowed by the Santa Cruz County Well Ordinance

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County of Santa Cruz

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Executive Order N-7-22 GSA Compliance Form

Section 1 (to be filled out by applicant)

 Title	Signature			
Name	Date			
Prepared by:				
from the Basin				
This is a new well which replaces a municipal supply and will not change the total water use				
This is for a well alteration that will increase wat	er pumped from the Basin			
This is a replacement well that is intended to pro	ovide higher yield			
This is a replacement well that will not change the	ne total water used from the Basin			
This is a new well that represents a new use of groundwater from the Basin				
Which represents the impact of the well permit?:				
How Was Water Use Determined?				
Estimated Water Use of Proposed Well in Acre-Feet pe	<u>r Year:</u>			
GPS Coordinates of Proposed Well (decimal degrees):				
Screening Depth of Current Well	Screening Depth of Proposed Well:			
Property Owner Name:	Applicant Name and Title:			
Property Address:	APN:			



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Section 2 (to be filled out by GSA representative)

Groundwater extraction by the proposed well (choose one)

would be inconsistent with

would not be inconsistent with

any sustainable groundwater management program established in the Groundwater Sustainability Plan or alternative adopted by the Groundwater Sustainability Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by that Plan.

Comments (optional)			
Name of Groundwater Agency:		Date	
Certified by:			
Name	Title	Signature	