

TO: WATER SUPPLY ADVISORY COMMITTEE (WSAC)
FROM: CLARK MCISAAC & HEIDI LUCKENBACH
SUBJECT: UPDATE ON SOQUEL CREEK WATER DISTRICT ACTIVITIES
DATE: JUNE 03, 2015

SUPPLEMENTAL SUPPLY

Water Transfer Study Neighboring water agencies (San Lorenzo Valley Water District, Scotts Valley Water District, SCWD and SqCWD) collaborated with Santa Cruz County, Environmental Health Services (SCEHS) , the Regional Water Management Foundation, water rights attorneys, fisheries consultants, water modelers and consulting engineers to advise the Conjunctive Use and Water Transfers – Phase II Final Report and Presentation. SCEHS staff and Water Resources Division Director, John Ricker, completed the final report (see the attachment link at the bottom).

Desalination At their May 19 meeting the Board supported entering into a Memorandum of Interest (MoI) with Deep Water Desal (Attachment A). The purpose of the MoI is to express the non-binding intention of the District to consider entering into a joint powers authority to be formed in the future and to consider purchasing potable water from the desalination plant to be developed as part of the Deep Water Desal Project.

Recycled Water At their May 19 meeting the Board approved the proposed scope of work, budget and schedule by Carollo Engineers regarding a feasibility analysis on groundwater replenishment using recycled water (titled the Groundwater Replenishment Study). Also at the May 19th Board meeting was the discussion between SqCWD and SCWD regarding the option of purchasing excess Pre-1914 water rights winter water.

Water Purchase At their June 2, 2015 meeting the SqCWD Board of Directors voted to fully fund recycled water as their water supply alternative, assuming no regional partnerships.

Community Engagement The Board held two workshops on June 3 to engage the community in developing a strategic plan for meeting its water needs. See attachments B and C.

GROUNDWATER MANAGEMENT

Basin Implementation Group (BIG) On Thursday May 21, 2015, BIG accepted Soquel-Aptos Area Groundwater Management Annual Review and Report for Water Year 2014 (see Attachment D for the memo regarding this item). The Board approved the third amendment to the existing partnership agreement; however the County has made some revisions and the amendment will have to go back to each partner agency for approval.

BIG's subcommittee Groundwater Sustainability Agency convened for its first two meetings at the end of April and beginning of May (see Attachment E for a summary of the sub committee's first two meetings). Jon Kennedy was elected Chair of the subcommittee.

CA State Legislation on Groundwater N/A

Attachments:

Materials from the May 19, 2015 Board meeting:

http://www.soquelcreekwater.org/sites/default/files/documents/board-meeting/packets/05-19-15%20Board%20Packet_secured.pdf

Water Transfer Materials:

<http://scceh.com/Home/Programs/WaterResources/IntegratedRegionalWaterManagement.aspx>

MEMORANDUM OF INTEREST

The purpose of this memorandum of interest ("MOI") is to express the non-binding intention of the Soquel Creek Water District ("District") to consider entering into a joint powers authority ("JPA") to be formed in the future and to consider purchasing potable water from the desalination plant to be developed as part of Deep Water Desal's Monterey Bay Regional Water Supply Project ("DWD Desalination Project"). The District intends to proceed as follows:

1. To diligently and in good faith review and consider approving organizational documents of and becoming a member of a JPA to be formed to further explore development of the DWD Desalination Project and, if merited, undertaking and participating in financing and development of the Project, as more fully described in the attached "Summary of Proposed Terms."

2. To set forth a preliminary estimate below of the amount of water District will consider purchasing from the DWD Desalination Project so that the production capacity of the DWD Desalination Project may be planned more accurately.

3. If, after review as required by law, the District determines that participation in development of the DWD Desalination Project is warranted and complies with all requirements of law, to consider entering into a Subscription Contract with the JPA to subscribe for a share of the Project Water at a cost over 30 years equal to a proportionate amount of debt service on bonds to be issued by the JPA to finance the DWD Desalination Project plus operation and maintenance expenses, as more fully described in the attached "Summary of Proposed Terms."

4. If the District determines that its participation in development of the DWD Desalination project is not warranted, the District may terminate its participation under this MOI by giving written notice to DeepWater Desal, LLC

Execution of this MOI does not bind the District to become a member of a JPA, to subscribe for shares of the Project Water or to otherwise purchase water from the DWD Desalination Project. Each of these steps, if undertaken, would be the subject of separate agreement and separate approval based on incremental development and evaluation of the DWD Desalination Project. This MOI shall not be construed as committing the District to any action that will impact the physical environment.

It is clearly understood that by entering this MOI, the District is not obligated to advance or pay any funds unless, and until, it independently decides to proceed as part of the JPA.

Soquel Creek Water District

Date: _____

By: _____

Name: _____

Preliminary Estimate:
1,500 acre feet per year (AFA)

Its: _____

DeepWater Desal, LLC

Date: _____

By: _____
Brent Constantz, Manager

DeepWater Desal Desalination Project Summary of Proposed Terms

- Project:** Design, build and operate (“**DBO**”) a seawater desalination plant at Moss Landing, California producing approximately 25,000 acre-feet (“**AF**”¹) per year of potable water (“**Project Water**”²) for beneficial use by designated water purveyors in Monterey and Santa Cruz Counties (the “**Project**”) as part of its Monterey Bay Regional Water Supply Project. The Project will include wholesale conveyance facilities necessary to deliver water to connections with the purveyors’ distribution systems.
- Owner:** A California Joint Powers Authority (“**JPA**”) among governmental entities within Monterey and Santa Cruz Counties. Potential members of the JPA will execute a Memorandum of Understanding (“**MOU**”) allowing them to jointly explore potential participation in the Project on a non-risk basis. If participation proves warranted on a case-by-case basis, members will have the opportunity to subscribe for an allocated share of Project Water. (See “**Subscription Contracts**” below.)
- Site:** The desalination facility will be located on the “Tank Farm” parcel east of the Dynegy power plant which will be leased by the JPA. (See “Plant Site Ground Lease” under “Project Contracts,” below.) Seawater intake and brine discharge lines will be located in the Monterey Bay deep water canyon located at Moss Landing. Taking seawater from below the photic zone (the depth of light penetration), will minimize marine life disruption and will provide consistent source water of high quality and low turbidity. Accessing the deep water Monterey Canyon translates into lower pre-treatment costs and overall lower operating costs than for near-surface or brackish water sources of comparable temperature. Similarly, discharging concentrated seawater into Monterey Canyon following the desalination process substantially eliminates detrimental impacts on the ocean environment.
- DeepWater Desal:** Pursuant to a project development contract, DeepWater Desal, LLC will manage design, environmental review,

¹ An acre-foot equals 325,851 gallons, enough water to cover a football field to a depth of one foot, or enough water to serve the potable water demands of three to four average Monterey area households for a year.

² Project Water will meet Title 22 drinking water

DeepWater Desal Desalination Project

permitting and development of a bid package for the final design and construction of the Project. (See “Project Development Contract” under “Project Contracts,” below.)

Predevelopment Costs: DeepWater Desal will advance funds necessary to (i) study and evaluate the probable costs and benefits of the Project; (ii) obtain necessary discretionary permits to construct and operate the Project; (iii) assist with organizational expenses of the JPA, and (iv) prepare the Project bid package and pre-qualify potential Design/Build Contractors. DeepWater Desal will be solely at risk for predevelopment expenses related to the Project (including expenses incurred to date). If and only if the JPA issues Project Revenue Bonds (see the accompanying Project Revenue Bonds Summary) to finance the Project, the JPA will reimburse DeepWater Desal for such predevelopment, permitting, organizational and preliminary design expenses (collectively, **"Predevelopment Costs"**) out of the proceeds of sale. Unless and until the JPA is established by resolution of its respective members and issues its Project Revenue Bonds, no prospective member of the inchoate JPA will be liable for payment of or reimbursement for any such Predevelopment Costs. Nothing contained in the proposed MOU will obligate any signatory to execute either (i) an eventual Joint Powers Agreement or (ii) a Subscription Contract (defined below).

Project Costs: The Project will be designed and built for a total cost currently estimated at \$300M. The total cost is the aggregate of:

- Engineering, preliminary design, project management and development fees and expenses ;
- Environmental review, mitigation and other costs related to compliance with to the California Environmental Quality Act (“CEQA”) including preparation of an Environmental Impact Report (“EIR”);
- Permit acquisition, compliance and maintenance expense through Project delivery and acceptance in accordance with the descriptions in the Project’s EIR ;

DeepWater Desal Desalination Project

- Constructing and equipping the desalination plant, and ancillary facilities, including initial disposables required for plant operation;
- Project commissioning, shake-down, testing and performance demonstration costs ;
- Constructing the potable water distribution lines, pumping and storage to each water purchaser; and
- Financing costs (including capitalized interest, working capital, interest during construction, funded debt service and rate stabilization reserves, fees and expenses of the independent financial advisor, underwriters, bond counsel, disclosure counsel, independent engineer, rating agencies and other financing professionals).

Project Contracts:

Primary Project Contracts include:

- A **Joint Powers Agreement** among governmental entities in Monterey and Santa Cruz Counties who will self-select based on their mutual interest in developing the Project. The Joint Powers Agreement will establish the relationships among and respective obligations of such entities.
- A **Project Development Contract** between DeepWater Desal and the JPA obligating DeepWater Desal to manage development of the Project, subject to periodic reporting to and direction from the JPA. Under the Project Development Contract, DeepWater Desal will assume responsibility for (i) developing the preliminary design, engineering, and performance specifications for the Project (subject to review and approval by the JPA), and (ii) managing the Project in accordance with the scope, schedule and budget approved by the JPA. Further, DeepWater Desal will oversee value engineering, construction, quality management, warranties, and coordination among all parties involved with the Project under the overall direction of the JPA.
- One or more design/build contract(s) ("**Design/Build Contract(s)**") between the JPA and one or more qualified, experienced, financially capable contractor(s) ("**Contractor(s)**") selected through a competitive and transparent bidding

DeepWater Desal Desalination Project

process. The Design/Build Contract(s) will specify (i) a maximum price, (ii) specified minimum performance criteria, (iii) appropriate warranties and post-delivery service responsibilities, and (iv) an “on or before” delivery date (“**Completion Date**”) for each contracted component of the overall Project. The Design/Build Contract(s) will (i) provide both incentives and penalties around each material performance benchmark, (ii) provide for final design in conformance to the preliminary design (including procedures for proposing, evaluating and gaining approval for deviations and value engineering) and (ii) specify the performance demonstration, commissioning and acceptance regimes to be followed upon substantial completion of construction.

- **One or more Contract Guaranties** between and among the the Contractor(s), the JPA and insurers, banks or other financial companies (“**Construction Guarantors**”) under which each respective Construction Guarantor will provide financial surety for the performance by the related entity of its obligations under its agreement or contract. The claims paying capacity of each Contract Guarantors must be rated not less than “A” by a national credit rating agency.
- **Ground Leases** between DeepWater Desal LLC as landlord of the plant site (“**Plant Site Ground Lease**”) and the JPA as tenant. The Plant Site Ground Lease will accommodate the construction, operation, maintenance, renewal and replacement of the desal plant for a period of five years beyond the final maturity of Project Revenue Bonds, with at least one renewal option. Monthly rental payments under the Plant Site Ground Lease will be subordinated to the JPA’s bonded debt service obligations. Plant Site Ground Lease payments deferred on account of such subordination will accrue interest at six percent (6%) per annum until paid. The Plant Site Ground Lease will not permit either acceleration or dispossession in the event of payment deferral (thus creating quasi equity support for the Project).

DeepWater Desal Desalination Project

- An **Operation & Maintenance Contract** between Deepwater Desal (or its designated subsidiary or affiliate) and the JPA under which DeepWater Desal will assume responsibility for operating the Project according to specified quality/quantity/rate of delivery/cost criteria. The initial term of the Operation & Maintenance Contract will be 20 years, subject to competitive renewal thereafter. Payments under the Operation & Maintenance Contract will be itemized and designated as either (i) Direct Operating Expenses (including labor, power, materials, etc.), (ii) Renewal, Replacement and Maintenance Deposits, or (iii) O&M Fee. The O&M Fee will be subordinated to the JPA's debt service obligations. O&M Fee payments deferred on account of such subordination will accrue interest at [6]% per annum until paid.
- A series of **Subscription Contracts** among the JPA, the Bond Trustee (defined below; see "Financing") and JPA member agencies ("**Subscribers**") under which the Subscribers (i) subscribe for shares of the Project Water and (ii) accept the obligation to pay proportional
 - debt service,
 - operation & maintenance obligations, and
 - payments under the Ground Leases.

Upon satisfactory completion, testing and delivery of the Project by the Contractor(s) and acceptance of the Project by the JPA, each Subscriber will be obligated to set, impose and collect rates and charges sufficient to pay amounts due under its Subscription Contract and to remit such payments to the Bond Trustee on a monthly basis. Each of the Subscription Contracts will specify delivery points, metering regimes, rates of flow, etc. and will obligate the Subscriber to put in place facilities to convey Project Water from the point of delivery to its service area not later than the Completion Date. The initial term of the Subscription Contracts will be equal to or beyond the longest maturity of Project-Revenue Bonds.
- One or more **Power Purchase Agreement(s)** between the JPA and one or more power suppliers will be negotiated and executed prior to Project acceptance. The cost of purchased power to operate

DeepWater Desal Desalination Project

the Project will be a “pass through” cost under the Operation & Maintenance Contract and the Subscription Contracts. The Power Purchase Agreements may not be in place at the time of financing and will not likely have long terms; thus, the Subscribers will be exposed to fluctuations in the cost of power required to operate the Project.

- Permits:** The JPA and DeepWater Desal will cooperate in acquiring the necessary construction and operating permits for the Project. Costs of acquiring such permits will be advanced by DeepWater Desal pursuant to terms of the Project Development Contract, subject to reimbursement from bond proceeds.
- Environmental Review:** California State Lands Commission will act as lead agency for CEQA compliance purposes. Costs associated with the CEQA process will be funded by DeepWater Desal, subject to reimbursement from bond proceeds.
- Distribution Facilities:** As specified in the Subscription Contracts, each Subscriber will be responsible for maintaining distribution facilities sufficient to make use of Project Water within its service area.
- Surplus Water:** In the event that Project Water, together with other water resources available to a Subscriber is, in any period, in excess of the contemporaneous demands of such Subscriber, the Subscriber will have the right to store such Surplus Water for later use or to market such Surplus Water to any other water user on terms mutually satisfactory to the Subscribers and the other water user, *provided, however*, that (i) such transfer will be registered with the JPA in accordance with administrative and record-keeping procedures to be adopted by the JPA, (ii) the transferring Subscriber will bear financial responsibility for the marginal costs and impacts (including environmental review) of the transfer (if any), (iii) such transfer will have no effect on the Subscriber’s payment obligation under its Subscription Contract, and (iv) such transfer will avoid or fully mitigate any negative tax consequences to the JPA, to other Subscribers, or to holders of the Project Revenue Bonds.

**BOARD OF DIRECTORS
SPECIAL MEETING
WEDNESDAY, JUNE 3, 2015**

12:00 – 2:00 P.M.

AND

6:00 – 8:00 P.M.

LOCATION:

**Location: Community Foundation of Santa Cruz County
7807 Soquel Drive, Aptos, CA 95003
East/West Solari room**

AGENDA

- 1. ROLL CALL**
- 2. ORAL COMMUNICATIONS (*items not on the Agenda*)**
- 3. STRATEGIC PLAN WORKSHOP**
- 4. ADJOURNMENT**

All information furnished to the Board of Directors with this agenda is provided under **Who We Are - Board Meetings** on the District's website www.soquelcreekwater.org. Any additional information provided to the Board prior to the meeting will be made available to the public at the District office. Please observe the following procedures for addressing the Board on agenda items. All those wishing to speak on an item should raise a hand and be recognized by the Board President during the portion of the proceedings set aside for public comment. Each speaker will be limited to a single presentation of up to three minutes per agenda item (time limits may be increased or decreased at the Board President's discretion). After all speakers have addressed the Board, the Board will deliberate and take action. Additional public comment will not be allowed during the Board's deliberation unless the President specifically calls on someone in the audience. Organized groups wishing to make a presentation are asked to contact the Board Clerk prior to the Board Meeting. Disability Access – the meeting room is wheelchair accessible. Please contact Karen Reese, Board Clerk, at (831) 475-8500 ext. 126 if you need assistance in order to participate in a public meeting or if you need the agenda and public documents modified as required by Section 202 of the Americans with Disabilities Act.

What are YOUR priorities... Attachment B

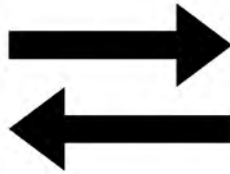
...for a sustainable water future?



desalination



recycled water



surface transfers



conservation



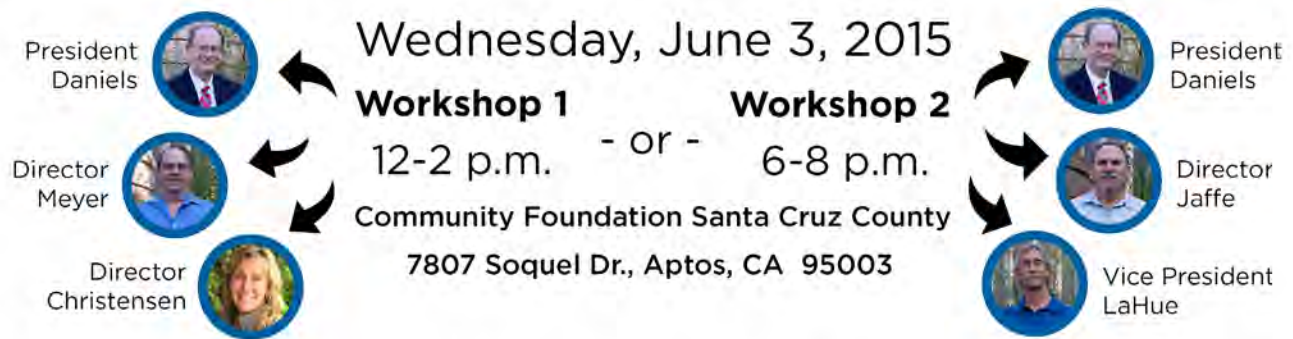
water rates



Join the Discussion!

Strategic Plan Workshop

Help us chart a course for the future! The District is developing a strategic plan that will identify goals, strategies, and priorities for serving our community. Please attend one of our two identical community workshops to share your ideas with the District board and staff.



If you cannot attend, we still value your input!

Please take our online survey, available on the District website June 1 through June 15.

www.soquelcreekwater.org

Board of Directors

Dr. Bruce Daniels
Dr. Thomas R. LaHue
Dr. Bruce Jaffe
Richard Meyer
Carla Christensen

Ron Duncan, *Interim General Manager*

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What are YOUR priorities... Attachment C

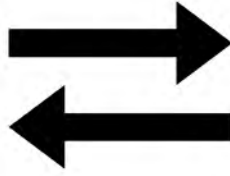
...for a sustainable water future?



desalination



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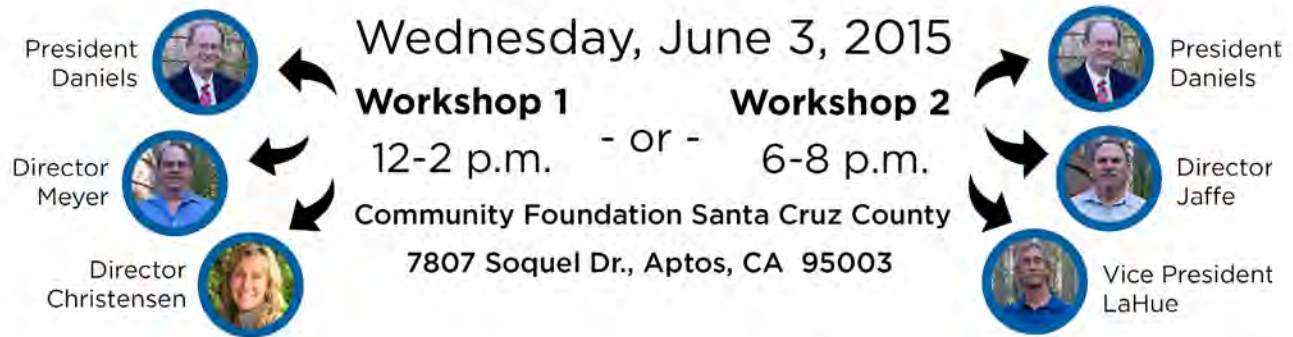
water rates



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www.soquelcreekwater.org

May 21, 2015

MEMO TO THE BASIN IMPLEMENTATION GROUP

Subject: Agenda Item No. 5.1

Accept the Soquel-Aptos Area Groundwater Management Annual Review and Report for Water Year 2014

Background

The AB3030 Groundwater Management Plan for the Soquel-Aptos Area calls for an Annual Review and Report (ARR) on the state of the basin prepared by the consulting hydrologist with assistance from Soquel Creek and Central Water District staff.

2014 AR Report

The administrative draft 2014 ARR was first presented to the Basin Advisory Group (BAG) for review and comment. The BAG provides technical expertise necessary to guide and implement the groundwater management activities as well as provide interagency coordination. The BAG is comprised of staff representatives from Soquel Creek Water District, Central Water District, City of Santa Cruz Water Department, Santa Cruz County Water Resources Division and the Pajaro Valley Water Management Agency.

This group reviewed the administrative draft of the 2014 ARR and met on April 24, 2015 to discuss the report. Revisions were made based on the BAG's comments. The Draft 2014 ARR is available on the District's website at:


<http://www.soquelcreekwater.org/documents/reports/2014-annual-review-and-report-arr-soquel-aptos-groundwater-basin-management-area>

Derrik Williams with HydroMetrics WRI will be at the meeting to make a presentation about the report and respond to questions.

POSSIBLE ACTION

1. By MOTION, accept the Soquel-Aptos Area Groundwater Management Annual Review and Report for Water Year 2014.
2. By MOTION, accept the Soquel-Aptos Area Groundwater Management Annual Review and Report for Water Year 2014 with modifications.
3. No action.

Basin Implementation Group
May 21, 2015
Page 2 of 2

By 
Ron Duncan, Interim General Manager
Soquel Creek Water District

By 
Melanie Mow Schumacher, Special Projects/Community Dialogue Manager
Soquel Creek Water District

First Report from the S-AGMC Subcommittee on GSA Formation

To be presented at May 21, 2015 S-AGMC Meeting

On March 25, the Soquel-Aptos Groundwater Management Committee (S-AGMC) designated a subcommittee to look into the issues associated with forming a Groundwater Sustainability Agency. Its tasks were to identify the steps necessary to form the agency, gather key legal information from our legal consultant, lay out a framework of options for the structure of the GSA, identify any key bottlenecks, and come up with a suggested timeline and actions to reach the goal of establishing our GSA.

The committee is made up of six representatives: one from each member agency plus two private representatives. The subcommittee met on April 30 and May 8 and herewith presents its initial report.

Summary: Based on our discussions during the two subcommittee meetings, we believe our best course is to form an agency made up of representatives from each of the bodies currently on the S-AGMC (county, city, Soquel Creek Water, Central Water and some representation from private stakeholders). We believe we should establish a single GSA for the basin, and we lean toward a mid to high-mid level of agency involvement in coordination, funding and decision making. We look forward to the stakeholder interview report from the Center for Collaborative Policy to incorporate into our process. We think that the timeline for this formation could be completed by February 2016. We believe that we should continue to encourage stakeholder community involvement in education and discussion around the issues of our groundwater, its regulation, sustainability options, and the need for coordinated community action.

Summary from 1st Sub-committee meeting: April 30, 2015

Members Present:

John Benich
Bruce Jaffe
Micah Posner
John Ricker
Bill Wigginton
Jon Kennedy

Staff Present:

Ralph Bracamonte
Rosemary Menard
Ron Duncan
Melanie Schumacher
Matt Orbach

Ross McGlothlin, BHFS
Jena Shoaf, BHFS
Marc DuPraw, CCP
Stephanie Horii, CCP
Gita Kapahi, SWRCB
Laura Brown, HydroMetrics/Local Citizen

We elected a Chair: Jon Kennedy.

We heard a presentation on the Groundwater Sustainability Act from legal advisors Russ McGlothlin and Jena Shoaf. Summary of points include:

1. We are required to file notice with DWR by February 2017 of our intent to form a GSA.
2. Our GSA could follow one of several models (one GSA, or several separate GSAs who file an integrated GSPlan for the basin.)
3. The attorneys reviewed various other models and arrangements across the State (see our scenario summaries from our 2nd meeting.)
4. There are cases in which other entities have appointed private members to be representatives on their Boards (Sacramento.)

We heard a preliminary presentation from Marci DuPraw on her plan for stakeholder meetings, and for interviewing about 20 persons on their views pertaining to the formation of a GSA. She will start by interviewing the members of the sub-committee, and expanding from there. She hopes to present her initial findings at the May 21 SAGMC meeting.

We received assurance from the Gita Kapahi, SWRCB, official that their in-kind support to us for stakeholder meeting facilitation could continue to the end of the year, and later if needed.

After the presentations, we discussed how we might clarify our various options for Soquel-Aptos basin, and considered that depicting these models as various scenarios would help in evaluating the various options for agency design and level of action.

We set a second meeting to organize our information and our options.

Notes have also been taken by CCP (Center for Collaborative Policy) and will be provided to the committee and subcommittee for their reference.

Summary from 2nd Sub-committee meeting: May 8, 2015

Members Present:

Bob Postle/ John Benich
Bruce Jaffe
Micah Posner
John Ricker
Bill Wigginton
Jon Kennedy

Staff Present:

Ralph Bracamonte
Rosemary Menard
Ron Duncan
Melanie Schumacher

1. We laid out what we thought Success would look like for the GSA itself.
 - Establish clear boundaries for our basin

- Protect the groundwater (make it sustainable)
 - Water access available to all users
 - Optimize water resources
 - GSA accepted (by public and other agencies); be a fair agency
 - No duplication of effort by other agencies
 - Coordinate between agencies within GSA and with other GSAs
 - Have our Sustainability Plan be implementable, and have buy-in from all stakeholders
2. We established the key roles we believe the GSA needs to take:
- Assessment
 - Specify the role of additional supply
 - Monitor the pumping, quality, levels, and health of our groundwater
 - Negotiate/balance water use (existing use and for increased demand)
 - Education re: conservation for private wells, and education generally
 - Analyze and manage outcomes (from data)
 - Regulate water extraction; both private and municipal
3. After a great deal of discussion about issues, options and possible types of organization for the GSA, we developed **three scenarios** to illustrate the range of possibilities for our current area GSA. It is the general consensus of the subcommittee that our best course may be to operate within the Soquel-Aptos basin as one GSA (rather than as several separate ones.) We want to build into our formation (JPA, design, bylaws, etc) the flexibility if we might in future want to expand the agency to include further areas. (There was a discussion about the efficacy of forming a larger, county-wide GSA. One major issue with this is that PVWMA would very likely not be willing to be part of this. For now, San Lorenzo/Scotts Valley have been queried on this by John Ricker and they state that they prefer to form their own GSA.)

The three scenarios shown here can be considered possibility "worlds", which our group attempted to describe with brief aspects. Two of the subcommittee members will make an effort to describe these worlds more fully as "stories", in order to deepen the SAGMC's understanding of the differentiation between our possibilities, and to assist in eventual education of other stakeholders.

You might view these worlds as created by different, increasing levels of two uncertainty vectors: the X axis representing a continuum of increasing level of Involvement by the GSA; the Y axis could be thought of as increasing level of Need for Action on Salt Water Intrusion.

Scenario 1: (Low Involvement) **The BIG Forever**

- GSA would function similarly to existing S-AGMC/BIG
- GSA provides recommendations: each must be ratified by member Boards/Councils
- GSA role is to get member agencies to agree to ideas, or to the plan
- Individual agency Plans submitted to GSA
- Other agencies must do the work
- No taxation/fee assessment
- Easier buy in
- Little engagement in community

Scenario 2: (Medium Involvement) **Goldilocks**

- No Water Supply projects undertaken by agency itself
- GSA facilitates agency actions
- Agencies approve annual budget and work plan
- Report to member agencies re: accountability
- Limited staff – probably a Treasurer
- Taxation/Fee assessment
- Some independence
- (Cap and trade exchange)
- Could adjudicate to concretize (friendly)

(High Involvement) **The Full Monty**

- Water Supply Projects undertaken by GSA
- High level of authority
- Independent decisions (rather than check back to member boards)
- Have its own staff
- Regional sway? Impact on larger geography
- Taxation/Fee assessment- more comprehensive
- Achieve sustainability the fastest
- Could adjudicate to concretize (friendly)

Our sub-committee is **leaning toward the middle of these options**, but wants to present these to the full committee for discussion. A number of us would like to consider leaning upward, perhaps to a GSA model between the Medium and High models we describe here.

As you will see in our scenario stories, it may be useful to consider the differences in these worlds by thinking of a specific story line, such as the need to build out a particular Supplemental Supply, such as desalination, surface water, recycled water options and also conservation, and see how that would be handled in the Mid model, versus the High model.

4. A probable timeline for GSA formation would include several community stakeholder

meetings (ca. June and October), involve the drafting of agency goals and objectives, some work on the JPA elements, and the beginnings of some by-laws. The subcommittee aims to be ready-for-Boards-approval by the SAGMC meeting in January of 2016.

Draft Subcommittee schedule:

Jan 2016: *3rd public meeting* (if we were to outline some probabilities for Sustainability Goal options)

Dec: sub-committee work on bylaws, communication, JPA agreement

Nov: draft bylaws, draft goals, draft JPA

Oct: *2nd public meeting* (input on membership, scope and Advisory Committee for the GSA)

Sept: scope document; work on options for goals and objectives; input from agencies on membership; review with SAGMC at late Sept mtg

July-Aug: work on stakeholder alignment; finalize GSA model; basics of the JPA (allowing for vacations in these months)

June: receive stakeholder interview input, identify possible membership options (size, makeup); outline scope and goals options; develop stakeholder questions (*Public meeting for initial feedback*)

May: address legal issues w Russ; answer key questions; set out milestones and ID bottlenecks; develop 3 scenario models, get feedback from S-AGMC mtg - Completed