

TO: WATER SUPPLY ADVISORY COMMITTEE (WSAC)
FROM: CLARK MCISAAC & HEIDI LUCKENBACH
SUBJECT: UPDATE ON SOQUEL CREEK WATER DISTRICT ACTIVITIES
DATE: SEPTEMBER 3, 2015

SUPPLEMENTAL SUPPLY

Recycled Water During the August 11 SqCWD Board meeting, District staff provided County staff with a draft agreement (the Cooperative Agreement for Evaluating the Recycling of Waste Water to Improve Resource Management) to review. See Attachment A. On August 20, the County Sanitation Board approved the agreement. During the September 1 SqCWD Board meeting, District staff provided Board Members with a memo to request approval to enter into a cooperative agreement with the Santa Cruz County Sanitation District. This agreement supports the overall effort and feasibility study to evaluate the District's primary option of developing a supplemental water supply that involves purifying recycled water and injecting it into the aquifer to replenish the overdraft conditions of the basin. See Attachment B.

Water Purchase At their August 11, 2015 Board meeting, SqCWD discussed developing a draft Cooperative Water Transfer Resource Management Pilot and Purchase Agreement. That Agreement was provided to Rosemary Menard for her review. See Attachment C.

Water Exchanges The Board decided to hold the timing for discussing a surface water rights application required for surface water exchanges with SCWD for post 1914 water rights water until WSAC is done with its assignment.

GROUNDWATER MANAGEMENT

Basin Implementation Group (BIG) Amendments were made to the Revised Third Amendment to the Joint Exercise of Powers Agreement (JPA). See Attachment D & Attachment E. The JPA amendments were accepted and the BIG is now the Soquel-Aptos Groundwater Management Committee (SAGMC).

During their August 20 meeting, the BIG received a memo describing the intent of SqCWD to designate the Soquel Valley Groundwater Basin as being in "critical overdraft." This is to reclassify the basin as critical for part of the Department of Water Resources' (DWR) review process associated with the Groundwater Sustainability Act. See Attachment F.

CA State Legislation on Groundwater N/A

Attachments:

- A. Pages 213-15 of the August 11, 2015 SqCWD Board Meeting Packet
- B. Pages 185-190 of the September 01, 2015 SqCWD Board Meeting Packet
- C. Page 73 of the August 11, 2015 SqCWD Board Meeting Packet
- D. Pages 109-122 of the August 11, 2015 SqCWD Board Meeting Packet
- E. Pages 203-04 of the September 1, 2015 SqCWD Board Meeting Packet
- F. Page 140 of the August 20, 2015 BIG Meeting Packet

**Interim General Manager's (GM) Status Report
August 11, 2015**

A. Newly Transferred Workplan Items in Progress

~~a. Schedule Community Water Plan Workshop (requested on June 2, 2015). This workshop was scheduled and held on July 9.~~

b. Request Seawater Intrusion Report from Rosemary Knight at Stanford (requested on June 2, 2015). Rosemary was contacted and indicated the report will be released over the next three months (June – August). At that time it will be shared with the Board.

~~c. Director Meyer requested at the budget meetings (May/June) about how the Will Serve Letter count and the associated required offset amounts for the Water Demand Offset (WDO) program have changed over the years – see chart below. Note the offset factor changed from 1.2 to 1.6 in June of 2013, thus it impacts the offset amounts. The data indicate a greater development period from 2004 to 2008, the slump due to the “great recession” (2008-2012), and an emergence from the recession starting in 2013.~~

Year	Project Count	Required Offset Amount (acre feet (AF))
2014	31	21.97 AF
2013	28	19.52 AF
2012	14	4.18 AF
2011	10	10.57 AF
2010	12	9.0 AF
2009	14	21.73 AF
2008	16	12.72 AF
2007	28	47.94 AF
2006	24	29.70 AF
2005	36	33.5 AF
2004	58	92.88 AF (includes partial 2003)

B. Other Items

Cooperative Water Transfer, Resource Management Pilot and Purchase Agreement between City of Santa Cruz and Soquel Creek Water District: District staff have provided Rosemary Menard (Water Director for City of Santa Cruz) a draft agreement to review. The District interim GM and Ms. Menard developed preliminary terms and conditions, which are being discussed further. The goal is for the draft agreement to be presented to the District Board on September 1 or 15 and to the City Council on September 8 or 22 for review authorization to proceed with CEQA which, at this time, is understood to be triggered by authorization of an agreement. Staff from both agencies are working to keep the process moving forward so if winter water is available, the City and the District are prepared to

proceed with this project. Additional steps being pursued include a planned meeting of water quality, operational and engineering staff from both agencies to discuss details and ensure that any additional preparations are being pursued in parallel with the CEQA review.

Cooperative Agreement for Evaluating the Recycling of Waste Water to Improved Resource Management: District staff provided County staff a draft agreement to review. The essence of the agreement is to join in a common effort to share data and explore the potential and related benefits of using recycled water to improve resource management. This is related to intercepting the waste water at the County's Lode Street facility or another pump station closer to the District. The Public Works Director (John Presleigh) and the Interim General Manager (Ron Duncan) met on July 29 to discuss the agreement. The goal is for the agreement to be discussed and accepted at the August 18 County Board of Supervisors meeting and at the August 20 County Sanitation Board meeting and come to the Soquel Creek Water District Board at the September 1 meeting.

Aptos Chamber of Commerce Presentation: Staff is arranging for a presentation to the chamber in the fall regarding an update of the efforts and plans of the District, City of Santa Cruz and Central Water District.

Community Water Plan: Staff continues to work on various items identified at the July 9 Workshop as needing refinement. The goal is to return at the September 15 meeting with a revised version of this technical portion of the Community Water Plan. The technical portion of the plan will serve as a platform to develop a customer friendly outreach version of the plan.

Hydrometrics Related Items:

- At a BIG/S-AGMC scoping meeting the officials asked for a technical memorandum (TM) regarding what the groundwater model will do. The TM should be presented to the BIG/S-AGMC in ~~July~~ August.
- Staff has requested that Hydrometrics provide a couple page memo outlining key values related to the basin (e.g., pre and post recovery sustainable yield values). This should help provide everyone a firmer understanding of the current water shortage estimates and will be used to develop the Community Water Plan (the update to the District's 2012 Integrated Resource Plan (IRP)). The memo was presented at the July 21, 2015 Board meeting.
- Staff also requested that Hydrometrics bring a cost proposal to the Board regarding providing an estimate of the rate that seawater intrusion is advancing in both the Aromas Red Sands and Purisima aquifers. With this knowledge one can estimate the time it would take the seawater intrusion to hit production wells based on different distance scenarios. This will also be used to develop the Community Water Plan. This request has been canceled

due to some estimates were provided at the July 9 Board Workshop and more refined values will be presented as part of the groundwater modeling effort.

Outreach to Other Regional Partners: The interim GM continues to outreach to other water managers and community partners. Staff have a meeting with Supervisor Zach Friend on August 12 and Supervisor John Leopold on August 17. Both meetings are to provide them an update on the District and regional efforts and to hear their concerns. If one or two Board members would like to participate, then please contact the interim General Manager.

Presentation from Scott McGilvray: Mr. Gilvray contacted the District and asked to present his work regarding possible quantities of water available for transfer from the San Lorenzo to the District. On August 4, Board members President Daniels and Director Christensen, staff Taj Dufour and Ron Duncan, and District customer Randa Solick met to hear his presentation.

September 1, 2015

MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 6.5

Approval of Cooperative Agreement with
Santa Cruz County Sanitation District for
Evaluating the Recycling of Wastewater for
Improved Resource Management

Attachment: Cooperative Agreement

The purpose of this memo is to request the Board's approval to enter into a cooperative agreement with the Santa Cruz County Sanitation District. Staff drafted the agreement and legal counsels from both agencies reviewed it. On August 20, 2015 the County Sanitation District Board approved the attached agreement. The agreement has been signed by the appropriate County representatives and now awaits signatures from Soquel Creek Water District.

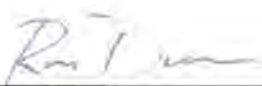
This link shows the memo (Item 5) that was presented to the County Sanitation Board regarding accepting the agreement, <http://www.dpw.co.santa-cruz.ca.us/Sanitation/SCCSD/pdf/150820SCCSD-Agenda.pdf>. There are no financial obligations; the focus is on interagency collaboration and sharing of data.

The objective of this agreement is to cooperatively explore the potential of turning wastewater into purified water for resource maximization with a focus on water recycling, groundwater sustainability, and halting seawater intrusion in the Mid-County area. This agreement supports the overall effort and feasibility study to evaluate the District's primary option of developing a supplemental water supply that involves purifying recycled water and injecting it into the aquifer to replenish the overdraft condition of the basin.

POSSIBLE BOARD ACTIONS

1. By MOTION, direct the Interim General Manager and Legal Counsel to sign the Cooperative Agreement and proceed with the actions as described in the agreement.
2. By MOTION, direct staff to make modifications to the agreement and work with the County Sanitation representatives to accept and sign a revised agreement.
3. Take no action.

By



Ron Duncan
Interim General Manager



Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

JOHN J. PRESLEIGH, DISTRICT ENGINEER

August 24, 2015

MR. RON C. DUNCAN
INTERIM GENERAL MANAGER
SOQUEL CREEK WATER DISTRICT
5180 SOQUEL DRIVE
SOQUEL CA 95073

SUBJECT: SUSTAINABLE GROUNDWATER MANAGEMENT PROGRAM
COOPERATIVE AGREEMENT

Dear Mr. Duncan:

Enclosed is the Cooperative Agreement for evaluating the recycling of wastewater for improved resource management.

Please continue processing this agreement and return a completed copy to our office. Thank you.

Yours truly,

JOHN J. PRESLEIGH
District Engineer

dls/271

Enclosure

COOPERATIVE AGREEMENT

FOR EVALUATING THE RECYCLING OF WASTEWATER FOR IMPROVED RESOURCE MANAGEMENT

THIS COOPERATIVE AGREEMENT, made and entered into this ____ day of _____, two thousand and fifteen, by and between Santa Cruz County Sanitation District (hereinafter referred to as SCCSD) and Soquel Creek Water District (hereinafter referred to as SqCWD), representing agencies with interests in resource management, hereby join together for a common and specific purpose.

ARTICLE I. BACKGROUND AND OBJECTIVES

RECITALS

1. The parties to this interagency cooperative agreement, pursuant to their respective statutory authorizations, are engaged in an effort to evaluate the potential and feasibility of recycling wastewater to provide benefits to SCCSD, SqCWD, the community and the environment of portions of Santa Cruz County.
2. There are many potential benefits to recycling wastewater; including, but not limited to, helping solve the Soquel-Aptos Basin groundwater overdraft challenge and preventing seawater intrusion, reducing treatment cost for wastewater and associated energy needs, and reducing the volume of secondary treated wastewater being pumped to the Monterey Bay. Both the SCCSD and SqCWD overlie portions of the Soquel-Aptos Basin, which could be a significant beneficiary.
3. SqCWD was recently awarded a grant in May 2015 through the State Water Resources Control Board's Water Recycling Grant Program (Grant # 14672-550) to evaluate the potential for implementing indirect potable reuse through groundwater recharge of advanced purified water within SqCWD's service area and also investigate potential opportunities for expanded use within areas that include the City of Santa Cruz, SqCWD, and portions of the County of Santa Cruz. As part of the grant requirements, SqCWD shall

submit a Feasibility Study Report (hereinafter referred to as Feasibility Study) to the State no later than December 1, 2018.

4. This cooperative exploration is reinforced by the California Department of Water Resources (DWR) through the Groundwater Sustainability Act (Act) that mandates groundwater basins reach a sustainable state by 2040 or 2042. The Act strongly encourages local agencies and communities to work together to solve their groundwater shortage issues or groundwater adjudication may be imposed.
5. The SCCSD and SqCWD will collaborate in evaluating the potential of recycling wastewater to improve resource management with multiple benefits to both agencies, the community, and the environment.
6. Both parties to this agreement wish to join in a common effort to share data and explore the potential and related benefits of using recycled water to improve resource management.
7. The parties to this agreement are empowered by law to enter into this agreement.

ARTICLE II. STATEMENT OF WORK

NOW THEREFORE, the parties to this agreement mutually agree to:

1. Establish this cooperative partnership comprised of one representative from each party to this agreement, accompanied by support staff and consultants, as needed, and one member of the public if interested/available, appointed by each party's respective governing board. The partnership shall meet on an as-needed basis to assist with the preparation of the Feasibility Study of recycling wastewater to improve resource management.
2. Collaborate and share wastewater data on an ongoing basis with respect to water levels, quality, flow, and other parameters to provide information for the Feasibility Study and aid in identifying factors that may impact the recycling of wastewater for indirect potable reuse.
3. Collaboratively review and update databases of existing information, if appropriate.
4. Develop and foster relationships with regional, state, and local governments, individuals, and other interested organizations to better understand, address

concerns, and recognize the importance of recycling wastewater.

5. Jointly consider, evaluate, and pursue grants or studies, if potential opportunities arise, subject to the approval of each party's respective governing board.
6. Recommend to the respective governing boards the results of this collaborative effort to evaluate the potential and feasibility of recycling wastewater to provide benefits to the community and the environment of portions of Santa Cruz County including implementing indirect potable reuse through groundwater recharge of advanced purified water.

ARTICLE III. TERM OF AGREEMENT

This agreement shall be evaluated and reviewed by SCCSD and SqCWD staff no later than one year after its implementation at which time, recommendations for improvements and modifications shall be considered by all approving bodies. Any amendment or modification to this agreement shall be in writing, agreed upon by all signatories, executed by the duly authorized representatives of the parties hereto, and incorporated into this agreement by reference.

ARTICLE IV. KEY OFFICIALS

- John J. Presleigh, District Engineer, Santa Cruz County Sanitation District
- Ron C. Duncan, Interim General Manager, Soquel Creek Water District

Key officials may delegate another employee or employees of their respective District to communicate with the other party regarding this agreement.

ARTICLE V. FUNDING AND FINANCE

This basic agreement does not provide for any financial obligations. Subsequent work that may require the transfer of funds between SCCSD and SqCWD may be made by amendment of this document with the approval of the legislative bodies of the participating agencies.

ARTICLE VI. TERMINATION


Either agency can terminate their participation in this cooperative agreement by providing 60 days written notice to all signatory parties, except that any joint grant applications or awards initiated prior to the effective date of termination shall continue to be pursued notwithstanding termination of this agreement.

ARTICLE VII. RELEASE AND INDEMNITY

Each party hereto hereby (1) releases the other party from liability arising from or relating to this agreement and waives the provisions of Civil Code section 1542 with respect to said release; and (2) agrees to defend and indemnify the other party from and against claims, demands and liability, arising from or relating to this agreement, except to the extent arising from the acts or omissions of the indemnifying party.

SIGNATURES


Ron C. Duncan
Interim General Manager
Soquel Creek Water District


John J. Presleigh
District Engineer
Santa Cruz County Sanitation District
8/21/2015

Approved as to Form:

Approved as to Form:

Robert Bosso
Legal Counsel, Soquel Creek
Water District


T. Brooke Miller
District Counsel, Santa Cruz County
Sanitation District

Work Plan and Special Assignments Status Report
Updated for August 11, 2015

ACTIVITIES RELATED TO WORK PLAN ITEMS

Key –

Regular Font = No Change

Red Underlined = New Assignment or Activity

~~Blue Strikethrough~~ = Completed or moved to a Department Status Report; completed and moved items are deleted the following month

ADMINISTRATION

- a. Request to work with the City Santa Cruz Water Department to develop a proposal for the purchase of pre-1914 water (5/19/2015). Specifically the Board requested to negotiate a separate short term solution and purchase price and then work on a longer term solution. President Daniels, Director Jaffe and District staff met with City staff on May 8 to start the process. ~~The GM has reached out to the Water Director to continue the negotiations and a meeting is scheduled for June 26.~~ District staff and the Santa Cruz Water Director met on June 26 and started the negotiation process. This process will be ongoing for the next couple months. Staff developed (with the review of Mr. Bosso) a draft Cooperative Water Transfer Resource Management Pilot and Purchase Agreement and provided it to Rosemary Menard (City Water Director) on Friday 24 for her review. Rosemary and Ron Duncan met on July 28 to discuss the agreement. (More detail presented in the interim GM Status report.)
- ~~b. Agendize the Santa Cruz Water Director or her representative to present at the July 21st meeting regarding the progress of the Water Supply Advisory Committee, specifically about projects that are being considered that would involve Sequel Creek Water District (6/16/2015). The Water Director has agreed to present at the July 21 District Board meeting.~~
- ~~c. Send a letter to the Santa Cruz Water Director (Ms. Rosemary Menard) with the previous letter(s) regarding showing support for a possible water transfer from the San Lorenzo River as a conjunctive use opportunity (6/16/15). This letter is included in the current Board Packet as an agenda item.~~
- ~~d. Provide information about the drought curtailment work to be performed for the \$6,000 presented in the year 2015/16 budget (6/16/15). This work is for Hydrometries to help decide what water shortage level is approximate based on rainfall and to estimate average recharge. Hydrometries did similar work this year that is presented as Attachment 3, Item 2.2 of the April 21, 2015 Board meeting.~~
- ~~e.b.~~ Agendize discussion about timing for a surface water rights application required for surface water exchanges with the City of Santa Cruz Water

August 11, 2015

MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 6.4

Review and Approve Revised Third
Amendment to the Joint Exercise of Powers
Agreement (JPA)

- Attachments:
1. Draft Third Amendment to the Joint Exercise of Powers Agreement for the Purpose of Groundwater Management (with revisions highlighted)
 2. Draft Third Amendment to the Joint Exercise of Powers Agreement for the Purpose of Groundwater Management (without revisions highlighted)

Purpose

This memo provides a copy of the most recent Third Amendment to the Joint Exercise of Powers Agreement (JPA) to the Basin Implementation Group (BIG) for the Board of Directors of the Soquel Creek Water District to review and approve. If approved, the District Board can then direct its BIG representatives to vote on accepting the agreement at the next BIG meeting on August 20th.

Background

The Basin Implementation Group (BIG) was formed in 1995 to develop and implement a groundwater management plan. The original two members consisted of Soquel Creek Water District (SqCWD) and Central Water District (CWD). At the February 10, 2014 BIG Meeting, committee members gave staff direction to: (1) invite the County of Santa Cruz and the City of Santa Cruz to represent those portions of the basin within their jurisdiction and become additional parties within the JPA and (2) prepare a Third Amendment to the JPA for a subsequent BIG meeting.


A version of the attached Third Amendment was presented at the May 21, 2015 BIG Meeting. That previous version was approved by the BIG, and was adopted by all the member agencies, except the County of Santa Cruz. The County of Santa Cruz staff determined they had additional modifications needed before they could recommend adoption to the Board of Supervisors. The attached Third Amendment version contains proposed revisions related to the approval process and other less significant changes. Attachment 1 highlights the changes and Attachment 2 is a version with the changes accepted into the document.


Board of Directors
August 11, 2015
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In accordance with the Sustainable Groundwater Management Act, a Groundwater Sustainability Agency will be required to be formed and registered with the State of California by 2017. The existing committee, under this third amendment, will aid in facilitating that formation and continue current and important groundwater management efforts such as the completion of the current water model. This Third Amendment to the current JPA agreement allows all the agencies with an interest in the Soquel-Aptos Basin to financially share in these efforts and be involved in the decision making process for future efforts.

POSSIBLE BOARD ACTIONS

1. By MOTION, approve the revised attached Third Amendment of the Joint Exercise of Powers Agreement and let it take precedent over the previously approved version, and
2. By MOTION, approve the District BIG representatives to vote in favor of approving the Third Amendment of the JPA, including subsequent additional minor modifications that may be made.
3. Take no action.

By 
Melanie Mow Schumacher
Special Projects/Community Dialogue Manager

By 
Ron Duncan
Interim General Manager

**THIRD AMENDMENT
TO
JOINT EXERCISE OF POWERS AGREEMENT**

The parties to this Third Amendment to Joint Exercise of Powers Agreement ("Agreement") are CENTRAL WATER DISTRICT, (hereinafter referred to as CENTRAL) and the SOQUEL CREEK WATER DISTRICT, (hereinafter referred to as SOQUEL), City of Santa Cruz (hereinafter referred to as CITY), and the County of Santa Cruz (hereinafter referred to as COUNTY), all of which represent partner agencies (hereinafter referred to as PARTNER AGENCIES) with interests in groundwater management within the area known regionally as the Soquel-Aptos Groundwater Basin, hereby join together for a common and specific purpose.

RECITALS

- A. Soquel ~~Creek Water District~~ and the Central Water District entered into a Joint Powers Agreement- ("JPA") pursuant to Sections 6500 et seq. of the Government Code on March 30, 1995 (first amended on August 18, 2009 and second amended on November 19, 2013) for the purpose of developing and implementing a groundwater management plan under Sections 10750 et seq. of the Water Code (commonly referred to as an "AB 3030 plan") for the Soquel-Aptos Groundwater Basin ("Basin") within Santa Cruz County.
- B. Soquel and Central jointly produced and implemented an AB 3030 Plan for the Basin under the JPA- (the Soquel-Aptos Groundwater Management Plan) in 1996 and 2007; and have prepared an Annual Review and Report (ARR) each year since 2007.
- C. Governor Jerry Brown signed into law the Sustainable Groundwater Management Act ("Act") (codified ~~at~~^{as} Sections 10720 et seq. of the California Water Code) on September 16, 2014.
- D. The Act requires that a local agency or combination of local agencies form (or elect to be) a Groundwater Sustainability Agency and to develop a Groundwater Sustainability Plan for all basins ranked as a medium or high priority basin by the Department of Water Resources under the California Statewide Groundwater Elevation Monitoring Program ("CASGEM").

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- E. The Act requires that ~~the~~ Groundwater Sustainability Plan include elements that are additive to the elements of an AB 3030 Plan, and that a Groundwater Sustainability Plan be developed to replace an existing AB 3030 Plan for medium and high priority basins.
- F. The Basin's boundaries may be modified consistent with the Act.
- G. Subbasins comprising the Basin are ranked as medium and high priority basins under CASGEM, and therefore a Groundwater Sustainability Agency must be formed and a Groundwater Sustainability Plan must be developed for the Basin within the deadlines prescribed in the Act.
- H. The JPA as modified pursuant to this ~~resolution~~ ~~Agreement~~, together with potential future appropriate ~~modifications~~ ~~amendments~~, is well suited to be, or be part of, ~~the basis for~~ a Groundwater Sustainability Agency for the Basin as required by the Act.
- I. For the purpose of serving in the role of the Groundwater Sustainability Agency for the Basin, or as a member thereof, it is appropriate to ~~join~~ ~~include~~ other local public agencies that are affected by the future management of the Basin ~~Agency~~ as members of the JPA.
- J. The other local public agencies that should be joined as members of the JPA are the County of Santa Cruz, and the City of Santa Cruz.

Now ~~Therefore~~, ~~therefore~~, upon the adoption of resolutions by the Board of Directors of Central Water District, Soquel Creek Water District, the Santa Cruz City Council and the Santa Cruz County Board of Supervisors, it is hereby agreed:

1. The Committee. The Ground Water Management Committee, established under the original JPA is hereby made a permanent committee known as the Soquel Aptos Groundwater Management Committee (SAGMC ~~or Committee~~). The duties of the SAGMC shall include, but not be limited to:

- a) assure that the goals and objectives identified in the current Groundwater Management Plan are pursued in a reasonable and timely manner;
- b) review data and coordinate groundwater pumping to the extent possible to ~~meet~~ both meet demand and avoid exacerbating undesirable coastal groundwater conditions;

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- c) undertake ongoing and comprehensive efforts to collect, maintain, and share groundwater data with respect to water levels and quality;
- d) undertake cooperative research and resource management initiatives that are regional in scope and disseminate information resulting from these activities;
- e) recommend joint efforts to the respective governing bodies which are of regional benefit, e.g. general seawater intrusion monitoring, recharge within shared portions of the basin, etc.;
- f) jointly pursue groundwater management grants or studies, such as planning or project grants available from the State under Proposition 1, and hydrological modeling and studies undertaken by United States Geological Survey;
- g) coordinate Urban Water Management Plans and Groundwater Emergency Plans;
- h) facilitate discussions regarding formation of a Groundwater Sustainability Agency (or Agencies) required by the Act for development and implementation of the required Groundwater Sustainability Plan for the basin;

~~Said~~The Committee shall be composed of 11 members:

- Two members from each of the ~~partner agencies~~Partner Agencies, each of whom shall be appointed by their respective ~~boards governing body and shall serve at the pleasure of their appointing governing body.~~
- Three public members who shall each be a person or representative of an entity served by, owning, or managing a non-municipal well. The public ~~committee~~Committee members shall be ~~selected~~nominated and approved by a majority vote of the partner agency committeePartner Agency Committee members and shall be appointed to serve a two year term.

The Committee shall select a chair from among its ~~partner agency~~Partner Agency members with the chair ~~alternating~~rotating every two years ~~between agencies among Partner Agencies.~~ All votes of the ~~committee~~Committee shall be decided by a majority vote of the ~~committee~~Committee except for fiscal decisions (those decisions that involve the incurring of debt or expenditure of funds) which shall be decided only by the members of the Committee who are elected representatives of Central, Soquel, the City and the County. Those fiscal decisions shall also be decided by a majority vote of those persons eligible to vote on those matters and by the entities involved in the projects. All votes with a fiscal impact on a Partner Agency, including the member agencies annual budget and the proportional allocation of costs, shall also be ~~approved by the Board or~~

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~~Council~~ subject to the approval of the governing body of each ~~agency~~ involved Partner Agency.

2. ~~Staff~~. The water agency managers of ~~partner agencies~~ Partner Agencies shall serve as staff to the ~~committee~~ Committee with clerical duties provided by Soquel.

3. ~~Compensation~~. Each Partner Agency board member attending meetings of the ~~committee~~ shall Committee may be compensated by his or her respective board Partner Agency as each board Partner Agency governing body so decides. No compensation shall be paid by the ~~committee~~ Committee. The staff shall be paid by their respective ~~employing~~ entities as they so ~~agree~~ determine.

4. ~~Funding~~. The Committee is authorized to hire consultants to assist in the management and implementation of goals of the SAGMC. The costs of work done under this ~~agreement~~ Agreement and other management and implementation expenses agreed upon by the SAGMC shall be shared on a proportional basis of the total annual groundwater use as measured by each ~~agency~~ Partner Agency for the preceding water year. Based on use for 2013, the percentage cost to each ~~agency~~ Partner Agency for fiscal year 2015-16 would be as follows:

Soquel Creek Water District	70%
Central Water District	10%
City of Santa Cruz	10%
Santa Cruz County	10%

The cost allocation for each year shall be determined as a part of the Committee budget for the upcoming fiscal year. In the event that additional members are added to the JPA Committee, all of the members shall agree on a new cost sharing formula to fund the costs of the JPASAGMC.

5. ~~Approval of Final Budget~~. Notwithstanding any other provision of this Agreement, the unanimous approval of the Partner Agencies, acting by and through their respective governing bodies, shall be required to approve and adopt the annual budget for the upcoming fiscal year.

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6. ~~Limitation on Imposition of Taxes or Assessments~~. The SAGMC shall have no power to impose taxes or assessments within any Partner Agency's jurisdiction unless the Partner Agency's legislative body first passes a resolution consenting to the tax or assessment, except that County consent will not be required for taxes or assessments that are limited to areas within the jurisdiction of another Partner Agency.

7. ~~Limitation on Issuance of Debt~~. The SAGMC shall have no power to issue debt unless the governing body of each Partner Agency first passes a resolution consenting to the issuance of the debt.

8. Withdrawal. Any party may withdraw as a participant in the ~~JPA~~SAGMC, with the understanding that the remaining party or parties may continue to fund and implement the GMP for the benefit of the ground water basin. Notice of withdrawal shall be by a resolution of the respective ~~board of directors~~governing body and provide thirty (30) day written notice of intent to withdraw. Any funds due or obligations to pay incurred as of the date of withdrawal shall be due and payable irrespective of the withdrawal.

~~69.~~ Additional Members. On the approval of the ~~Boards~~governing bodies of all ~~parties~~Partner Agency members to this ~~agreement~~Agreement, and that of any subsequent party added to this ~~agreement~~Agreement, additional parties may be added to this ~~JPA~~Committee.

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~~710.~~ Additional Goals. An additional goal of the Committee shall be to identify and develop groundwater projects which are mutually beneficial to all members.

~~811.~~ Functions of the Committee. In addition to the functions previously described in this ~~agreement, the Committee~~Agreement, Partner Agency members shall have the ability to recommend ~~to their respective Boards,~~ policies and programs which will enhance the basin ~~to their respective governing bodies.~~ The Committee shall meet at least once quarterly, or more as needed, and minutes of their meetings shall be maintained and furnished to the ~~Boards~~governing bodies of the ~~members~~Partner Agencies.

~~912.~~ Subcommittees. The ~~committee~~Committee may establish such advisory committees as it deems appropriate to advise ~~committee~~Committee activities.

~~10~~ 13. Non-Restrictive of Independent Activities. This ~~agreement~~Agreement does not preclude any ~~agency~~Partner Agency from pursuing programs and projects related to groundwater management either independently or in cooperation with other agencies that may or may not be a party to the Soquel-Aptos Area Groundwater Management Joint Powers Agreement.

~~1114.~~ Severability. Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, or provisions shall not be affected thereby.

~~1115.~~ Amendment. This Agreement may be amended by resolution of the ~~Boards and Councils~~governing bodies of all members of the ~~JPA~~SAGMC.

Third Amendment To
Joint Exercise Of Powers Agreement
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Dated: _____ 2015

CENTRAL WATER DISTRICT

Authorized Officer

SOQUEL CREEK WATER DISTRICT

Dated: _____ 2015

Authorized Officer

CITY OF SANTA CRUZ

Dated: _____ 2015

Authorized Officer

SANTA CRUZ COUNTY

Dated: _____ 2015

Authorized Officer

Approved as to form:

County Counsel

**THIRD AMENDMENT
TO
JOINT EXERCISE OF POWERS AGREEMENT**

The parties to this Third Amendment to Joint Exercise of Powers Agreement ("Agreement") are CENTRAL WATER DISTRICT, (hereinafter referred to as CENTRAL) and the SOQUEL CREEK WATER DISTRICT, (hereinafter referred to as SOQUEL), City of Santa Cruz (hereinafter referred to as CITY), and the County of Santa Cruz (hereinafter referred to as COUNTY), all of which represent partner agencies (hereinafter referred to as PARTNER AGENCIES) with interests in groundwater management within the area known regionally as the Soquel-Aptos Groundwater Basin, hereby join together for a common and specific purpose.

RECITALS

- A. Soquel and Central entered into a Joint Powers Agreement ("JPA") pursuant to Sections 6500 et seq. of the Government Code on March 30, 1995 (first amended on August 18, 2009 and second amended on November 19, 2013) for the purpose of developing and implementing a groundwater management plan under Sections 10750 et seq. of the Water Code (commonly referred to as an "AB 3030 plan") for the Soquel-Aptos Groundwater Basin ("Basin") within Santa Cruz County.
- B. Soquel and Central jointly produced and implemented an AB 3030 Plan for the Basin under the JPA (the Soquel-Aptos Groundwater Management Plan) in 1996 and 2007; and have prepared an Annual Review and Report (ARR) each year since 2007.
- C. Governor Jerry Brown signed into law the Sustainable Groundwater Management Act ("Act") (codified as Sections 10720 et seq. of the California Water Code) on September 16, 2014.
- D. The Act requires that a local agency or combination of local agencies form (or elect to be) a Groundwater Sustainability Agency and to develop a Groundwater Sustainability Plan for all basins ranked as a medium or high priority basin by the Department of Water Resources under the California Statewide Groundwater Elevation Monitoring Program ("CASGEM").
- E. The Act requires that the Groundwater Sustainability Plan include elements that are additive to the elements of an AB 3030 Plan, and

- e) recommend joint efforts to the respective governing bodies which are of regional benefit, e.g. general seawater intrusion monitoring, recharge within shared portions of the basin, etc.;
- f) jointly pursue groundwater management grants or studies, such as planning or project grants available from the State under Proposition 1, and hydrological modeling and studies undertaken by United States Geological Survey;
- g) coordinate Urban Water Management Plans and Groundwater Emergency Plans;
- h) facilitate discussions regarding formation of a Groundwater Sustainability Agency (or Agencies) required by the Act for development and implementation of the required Groundwater Sustainability Plan for the basin.

The Committee shall be composed of 11 members:

- Two members from each of the Partner Agencies, each of whom shall be appointed by their respective governing body and shall serve at the pleasure of their appointing governing body.
- Three public members who shall each be a person or representative of an entity served by, owning, or managing a non-municipal well. The public Committee members shall be nominated and approved by a majority vote of the Partner Agency Committee members and shall be appointed to serve a two year term.

The Committee shall select a chair from among its Partner Agency members with the chair rotating every two years among Partner Agencies. All votes of the Committee shall be decided by a majority vote of the Committee except for fiscal decisions (those decisions that involve the incurring of debt or expenditure of funds) which shall be decided only by the members of the Committee who are elected representatives of Central, Soquel, the City and the County. Those fiscal decisions shall also be decided by a majority vote of those persons eligible to vote on those matters and by the entities involved in the projects. All votes with a fiscal impact on a Partner Agency, including the annual budget and the proportional allocation of costs, shall also be subject to the approval of the governing body of each involved Partner Agency.

2. Staff. The water agency managers of Partner Agencies shall serve as staff to the Committee with clerical duties provided by Soquel.

3. Compensation. Each Partner Agency board member attending meetings of the Committee may be compensated by his or her respective Partner Agency as each Partner Agency governing body so decides. No compensation shall be paid by

the Committee. The staff shall be paid by their respective employing entities as they so determine.

4. Funding. The Committee is authorized to hire consultants to assist in the management and implementation of goals of the SAGMC. The costs of work done under this Agreement and other management and implementation expenses agreed upon by the SAGMC shall be shared on a proportional basis of the total annual groundwater use as measured by each Partner Agency for the preceding water year. Based on use for 2013, the percentage cost to each Partner Agency for fiscal year 2015-16 would be as follows:

Soquel Creek Water District	70%
Central Water District	10%
City of Santa Cruz	10%
Santa Cruz County	10%

The cost allocation for each year shall be determined as a part of the Committee budget for the upcoming fiscal year. In the event that additional members are added to the Committee, all of the members shall agree on a new cost sharing formula to fund the costs of the SAGMC.

5. Approval of Final Budget. Notwithstanding any other provision of this Agreement, the unanimous approval of the Partner Agencies, acting by and through their respective governing bodies, shall be required to approve and adopt the annual budget for the upcoming fiscal year.

6. Limitation on Imposition of Taxes or Assessments. The SAGMC shall have no power to impose taxes or assessments within any Partner Agency's jurisdiction unless the Partner Agency's legislative body first passes a resolution consenting to the tax or assessment, except that County consent will not be required for taxes or assessments that are limited to areas within the jurisdiction of another Partner Agency.

7. Limitation on Issuance of Debt. The SAGMC shall have no power to issue debt unless the governing body of each Partner Agency first passes a resolution consenting to the issuance of the debt.

8. Withdrawal. Any party may withdraw as a participant in the SAGMC, with the understanding that the remaining party or parties may continue to fund and implement the GMP for the benefit of the ground water basin. Notice of withdrawal shall be by a resolution of the respective governing body and provide thirty (30) day written notice of intent to withdraw. Any funds due or obligations to pay incurred as of the date of withdrawal shall be due and payable irrespective of the withdrawal.

9. Additional Members. On the approval of the governing bodies of all Partner Agency members to this Agreement, and that of any subsequent party added to this Agreement, additional parties may be added to this Committee.

10. Additional Goals. An additional goal of the Committee shall be to identify and develop groundwater projects which are mutually beneficial to all members.

11. Functions of the Committee. In addition to the functions previously described in this Agreement, Partner Agency members shall have the ability to recommend policies and programs which will enhance the basin to their respective governing bodies. The Committee shall meet at least once quarterly, or more as needed, and minutes of their meetings shall be maintained and furnished to the governing bodies of the Partner Agencies.

12. Subcommittees. The Committee may establish such advisory committees as it deems appropriate to advise Committee activities.

13. Non-Restrictive of Independent Activities. This Agreement does not preclude any Partner Agency from pursuing programs and projects related to groundwater management either independently or in cooperation with other agencies that may or may not be a party to the Soquel-Aptos Area Groundwater Management Joint Powers Agreement.

14. Severability. Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, or provisions shall not be affected thereby.

15. Amendment. This Agreement may be amended by resolution of the governing bodies of all members of the SAGMC.

Dated: _____ 2015

CENTRAL WATER DISTRICT

Authorized Officer

SOQUEL CREEK WATER DISTRICT

Dated: _____ 2015

Authorized Officer

CITY OF SANTA CRUZ

Dated: _____ 2015

Authorized Officer

SANTA CRUZ COUNTY

Dated: _____ 2015

Authorized Officer

Approved as to form:

County Counsel

September 1, 2015

MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 6.9

Discussion on the Development of the
Groundwater Sustainability Agency

The Board requested an opportunity to discuss the current activities pertaining to the development of the Groundwater Sustainability Agency (GSA) for the Soquel-Aptos area basin which is mandated by the State to be formed no later than June 30, 2017.

Since the last update to the Board, at the July 21 meeting, the following activities have taken place:

- The third amendment of the existing Joint Exercise of Powers Agreement was approved by the partner agencies (City and County of Santa Cruz, Central Water District, and Soquel Creek Water District) and the Basin Implementation Group (BIG) is now formally known as the Soquel Aptos Groundwater Management Committee SAGMC) and includes 11 members (two representatives from each partner agency and three private well representatives). One of the specific tasks of the SAGMC includes facilitating discussion regarding formation of a GSA for development and implementation of a Groundwater Sustainability Plan (GSP).
- At the 8/20 SAGMC meeting, the GSA Formation Subcommittee introduced a two-phase GSA approach: (1) form a GSA and then in partnership develop a GSP and then (2) revise the GSA (as necessary) based on the projects and programs to be implemented. The subcommittee proposed a checklist that they will be going through as they further develop a proposed GSA model.
- At the 8/20 SAGMC meeting, there was discussion about pace and deadline of filing for a GSA with the State. One subcommittee member would like to file by early 2016; another would like to slow down and not rush.
- At the 8/20 SAGMC meeting, a subcommittee member stated that the group still needs to further discuss whether or not to establish assessment of fees prior to developing a GSP.
- At the 8/20 SAGMC meeting it was discussed that Bill Wigginton, who is no longer an official private well representative on the SAGMC, could still be a member of the GSA Subcommittee formation.
- At the 8/20 SAGMC meeting, a draft community engagement plan was presented based on community input gathered from the SWRCB/Center for Collaborative Policy efforts. In summary, there was community support to engage public input and engagement with the development of the GSP.
- At the 8/20 SAGMC meeting, comments prepared by HydroMetrics on behalf of the SAGMC were approved to be submitted to DWR on the draft regulations for basin boundary requests.
- Staff continues to meet with DWR representatives on basin boundary issues and GSP components via web-ex meetings and/or in-person meetings.

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The next GSA Formation subcommittee is tentatively scheduled for Thursday, September 3. The subcommittee has been directed to bring back a prioritized checklist of components at getting us toward establishing a GSA at the September 17th SAGMC meeting and aim for a more complete version at the SAGMC November meeting. The subcommittee will also be talking about facilitation (if it's needed and by whom), proposed meeting schedule and pace of the work, and looking deeper into the assessment of fees issue.

POSSIBLE BOARD ACTIONS

1. By MOTION, provide direction to staff and/or the District's Soquel Aptos Groundwater Management Committee representatives regarding the GSA Formation.
2. No action.



By _____
Melanie Mow Schumacher
Special Projects/Community Dialogue Manager

August 20, 2015

MEMO TO THE BASIN IMPLEMENTATION GROUP

Subject: Agenda Item No. 5.7

Intent of Department of Water
Resources (DWR) to Designate the
Groundwater Basin as Being in
Critical Overdraft

The purpose of this memo is to inform the BIG committee about the intent of the Department of Water Resources (DWR) to designate the Soquel Valley Groundwater Basin as being in “critical overdraft”. Currently, the Soquel Valley Groundwater Basin is noted in the California Groundwater Bulletin 118 as having overdraft issues, but not as being in “critical overdraft”. The recognition of the basin’s serious situation is due to the groundwater overdraft condition, seawater intrusion, and Soquel Creek Water District’s declaration of a state of groundwater emergency.

DWR last evaluated and designated basins as being in critical overdraft in 1980. This current evaluation to reclassify the basin as critical is part of DWR’s review process associated with the Groundwater Sustainability Act. DWR plans to present this revised critical overdraft designation at the August 19th California Water Commission meeting, followed by a public meeting the week after, and then a 30 day public comment period.

(Note that the Soquel Creek Water District, District, Central Water District, and County of Santa Cruz staff have been working with DWR to adjust the Soquel Valley Groundwater Basin boundaries to align with the actual groundwater basin dimensions. Also a name change to “Soquel-Aptos Groundwater Basin” is being sought to be more reflective of the geographical basin area.)

There are some ramifications associated with the change in basin overdraft designation. Basins designated as being in “critical overdraft” have to have their Groundwater Sustainability Plan completed two years earlier (by January 31, 2020) than basins not in critical overdraft. The timeframe for reaching sustainability would be reduced by two years, requiring sustainability by year 2040 instead of 2042. However, it appears to be the intent of the local GSA Formation Subcommittee members to achieve the required milestones within the timeframe as required for basins classified as being in critical overdraft even if it is not reclassified as such.

The basin is currently characterized as being a “medium priority” and the “critical overdraft” designation could move it to a “high priority” status, although several other factors help determine that designation. Either way there would be no immediate change; the next round of basin prioritization will come late next year after the basin boundary modifications are completed.