



Santa Cruz County  
Civil Grand Jury

Santa Cruz Grand Jury <grandjury@scgrandjury.org>

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## URGENT: Civil Grand Jury Response

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**Emeline Nguyen** <enguyen@cityofsantacruz.com>

Tue, Aug 30, 2022 at 11:34 AM

To: "syda.cogliati@santacruzcourt.org" <syda.cogliati@santacruzcourt.org>, "grandjury@scgrandjury.org" <grandjury@scgrandjury.org>

Cc: Rosemary Menard <RMenard@cityofsantacruz.com>, Sonja Brunner <sbrunner@cityofsantacruz.com>

Good morning Honorable Judge Cogliati and Santa Cruz County Grand Jury,

On behalf of the City, we apologize for the delay on this item. I've attached the Civil Grand Jury Response from the August 9<sup>th</sup> Council meeting for your review. Please let me know if you have any questions.

Best regards,



**Emeline Nguyen**

Principal Management Analyst

City Manager's Office | 809 Center Street  
831-420-5017



**CIVIL GRAND JURY RESPONSE – OUR WATER ACCOUNT IS  
OVERDRAWN.DOCX.pdf**

228K



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

**City Council, City of Santa Cruz**

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 [PC §933.05](#) 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.

## Instructions for Respondents

Your assigned [Findings](#) and [Recommendations](#) are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase [PC §933.05](#):

1. **For the Findings, mark one of the following responses with an “X” and provide the required additional information:**
  1. **AGREE with the Finding**, or
  2. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
  3. **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:**
  1. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
  2. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
  3. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
  4. **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 responses in a regular public meeting as shown in our minutes dated [August 9, 2022](#).

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

The Honorable Judge Syda Cogliati [Syda.Cogliati@santacruzcourt.org](mailto:Syda.Cogliati@santacruzcourt.org) and

The Santa Cruz County Grand Jury [grandjury@scgrandjury.org](mailto: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@scgrandjury.org](mailto:grandjury@scgrandjury.org).**

## Findings

- 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.

**AGREE**  
 **PARTIALLY DISAGREE**  
 **DISAGREE**

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

The City of Santa Cruz's Water Shortage Contingency Plan is implemented as needed and at the stage appropriate to respond to forecasted drought conditions.

A major goal of implementing curtailments when needed is to protect water supplies necessary to ensure public health and safety. Without water supply augmentation that is planned and under development, should supply conditions be severe enough (presumably after multiple consecutive years of drought), water use for commercial uses would be prioritized for greater levels of curtailment than water for human consumption, sanitation and public health and safety uses. If Stage 5 water curtailments were ever required, water users in the *City of Santa Cruz* water service area, and those owning or working in water-using businesses such as hotels, motels, guest houses, vacation rentals or restaurants would be greatly impacted by those curtailments. Whether the economic impact of such curtailment would be felt *county-wide* is not known.

**F3.** Inter-district water-sharing plans spanning North County and Mid-County that could benefit all residents have existed since 2015 and deserve to be accelerated.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

A finding that implies that work on water transfers has not been ongoing and that it should be accelerated is a significant misrepresentation. Beginning in 2016, Santa Cruz and Soquel Creek Water District developed and piloted a water transfer project agreement that was renewed and extended in 2021. Implementation of that agreement involved significant work to assess the compatibility of surface water from Santa Cruz with groundwater from Soquel Creek Water District to ensure transferred water was safe for use by Soquel Creek customers. Following completion of this work, and work with the State Division of Drinking Water to amend Soquel Creek’s operating permit to include use of transferred surface water, water has been transferred (when supplies have been available), to allow wells in the western part of the Soquel Creek service area to rest.

The City’s experience working with Soquel Creek on water transfers has created a model for how the operation of water sharing agreements could be developed throughout the region. It is currently being used as a model in the development of project feasibility work plans for the potential transfer of water between water providers in the Santa Margarita groundwater basin area.

**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**
- PARTIALLY DISAGREE**
- DISAGREE**

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

In theory, collecting and storing surface water flows during wet conditions in local groundwater basins is an obvious solution to local water supply reliability and groundwater sustainability issues. In practice, however, many factors can influence the success of this approach. The most obvious examples are the geological characteristics of local aquifers and their ability to accept and retain injected water, and, of course, a reliable supply of local surface water to use as a source of supply.

Additionally, the implication of this finding is that steps should have already been taken to implement storing available surface water in local aquifers, rather than acknowledging that progress has already occurred. For example, water stored by Santa Cruz during the winter of 2022 is being used by Santa Cruz as part of summer 2022's supply. Also, as noted in the response to finding F3, it has taken seven years of consistent and careful work to reach a point where ASR has been demonstrated to work in two wells in the Santa Cruz Mid-County Groundwater Basin. Additional evaluations to expand this supply augmentation strategy are ongoing.

**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.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

The Water Rights Project approved by the City Council, along with certification of the Final Environmental Impact Report, in late 2021 is the culmination of more than a decade of work to update the City's water rights. Changes made address 21<sup>st</sup> century operating challenges and incorporate critically important bypass flows for threatened steelhead trout and endangered coho salmon. Among other things, the Project opens up and aligns the places of use for Santa Cruz's San Lorenzo River water rights, which enables (but doesn't require) water sharing among water providers in mid and northern Santa Cruz County.

**F6.** Limited inter-district water transfers have been achieved and serve as proof of concept.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

It is not correct to say that the limited experience with water transfers between Santa Cruz and Soquel Creek demonstrates that this approach can work elsewhere. As noted in the responses to findings F3 and F4 above, numerous technical factors contribute to the success or failure of water transfer proposals and their ability to contribute to increased drought resiliency in mid and northern Santa Cruz County.

**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.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

It is correct to note that City of Santa Cruz's wastewater resources that could potentially be used as part of a recycled water drought-resiliency project are not fully allocated and are available for potential development. We understand this Finding to be incorrect for the City of Watsonville.

**F8.** Each agency described in this report communicates well with neighboring agencies, but collaboration is limited and narrow in scope.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

The Grand Jury correctly finds that substantial communication and collaboration occurs among local water agencies, but incorrectly finds that collaboration is narrow and limited in scope.

Santa Cruz County’s water agency staffs work well and effectively together over a wide range of topics, including forming collaborative staffing groups to support local groundwater sustainability planning, working on regional grant applications and their implementation, collaborating among surface water providers to update the state-required source water protection focused Sanitary Survey for the San Lorenzo River watershed, engaging in ongoing communications and coordination about water conservation, drought messaging, and education and outreach and, over many decades, financially supporting the Regional Water Management Foundation that facilitates a range of collaborative efforts including IRWM planning.



**F9.** Agency communications to the public emphasize conservation and sustainability while downplaying agency planning to achieve drought resilience.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

A review of the problem statement in the 2015 Water Supply Advisory Committee Final Report on Agreements and Recommendations demonstrates that this statement is incorrect (see page 27 of the document in reference #3 in the Grand Jury’s report). For Santa Cruz, water conservation has been a long-standing commitment and an element of its water supply reliability strategy, but the Committee’s problem statement clearly indicated that conservation alone cannot solve Santa Cruz’s water supply reliability problem.

Since City Council approval of the Water Supply Advisory Committee’s recommendations for water supply reliability and drought resiliency in 2015, SCWD has consistently communicated progress on the recommendations to the community. These communications include a monthly e-newsletter “Our Water, Our Future”, a bi-annual update in the SCMU Review Utility newsletter, a dedicated water supply/WSAC annual report, numerous news media stories, radio interviews, and quarterly updates to the public on progress implementing the water supply augmentation strategy during Water Commission meetings.

**F10.** The individual water supply districts lack funding, resources, and charters to develop county-centric drought-resilience infrastructure.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

The premise underlying this finding is if a water supply district had the funding, resources, and charter to develop county-centric drought resilience infrastructure the problem the Grand Jury has identified would not exist. This premise is false.

Individual water agencies in the County do have or have the authority needed to generate the resources and funding needed to address the issue the Grand Jury has described. Many local water agencies are taking steps needed to improve their district's drought resiliency. As described elsewhere in this response, there is ample evidence that these agencies work effectively together and are continuously demonstrating regional cooperation and collaboration necessary to address the County's water supply reliability, resiliency and sustainability.

**F11.** The Groundwater Sustainability Management agencies lack the charters, staff, and resources to plan or execute a county-wide drought-resilience strategy.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

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

Groundwater Sustainability Agencies were formed for a specific purpose and, in many cases, are focused on a specific groundwater basin that may not cover an entire county. Their task is specific to the issues in a particular groundwater basin and to the mandated to plan for and implement strategies to achieve groundwater sustainability in their specific groundwater basins within a 20-year timeframe. Their charters reflect this focus. Staffing and agency resourcing strategies actively engage leaders and technical staffs of local water supply and water resource management agencies to maximize the effectiveness of both the planning process and the implementation of groundwater sustainability plans, which directly and indirectly affect all the agencies involved.

**F12.** There is no county-level agency chartered to plan, propose, or build regional district-spanning drought-resilience infrastructure.

**AGREE**

**PARTIALLY DISAGREE**

**DISAGREE**

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

The Grand Jury is correct that there is no single agency with county-wide jurisdiction that is responsible for developing and implementing actions to ensure drought resilience. However, the City of Santa Cruz disagrees with the assertion that a central county-level agency would do a better job of planning for and implementing county drought resilience for the following reasons:

- 1) The Grand Jury's recommendation for creating a new, single agency is based on the premise that it could and would do something the existing water supply agencies are not doing. The City's perspective is that:
  - a) Any county-wide drought resiliency system must be built on the foundation of existing water resource management infrastructure and systems. To contemplate any other approach would be impractical due to the cost of duplicating existing facilities and systems.
  - b) The water resources needed to actually achieve drought resiliency in the County are already in use by existing water providers in meeting the needs of their customers.
  - c) Even if funding for infrastructure and systems apart from those already in existence was identified, there are no additional, un-allocated water resources available to be developed and deployed to produce drought resiliency.
  - d) So the new agency would have to work so closely with existing water providers in achieving its mission, making it difficult to imagine how this additional layer of government would add value or have any real scope for exercising authority over existing water agencies, or their infrastructure, systems or resources.
- 2) Because of Santa Cruz's geographical isolation and lack of access to any of California's state water resources and facilities, existing water agency leaders know that regional and individual agency drought resiliency solutions are going to have to come from working together. As demonstrated in several responses to the Grand Jury's report, regional elected officials and staff of these agencies are already and have been for years actively engaged in this work.

## 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)
- WILL NOT BE IMPLEMENTED** – explain why

### Required response explanation, summary, and timeframe:

The City of Santa Cruz does not believe that the Groundwater Sustainability Agencies are the right agencies to undertake the task described. Rather, the City’s perspective is that existing water suppliers are the agencies with the right kind of staff, experience and the financial resources needed to undertake the planning and projects necessary to provide regional drought resiliency and, in fact, have been taking concrete steps in recent years to achieve this goal.

The Pure Water Soquel project, the City’s Water Supply Augmentation Strategy, including active work on ASR in the Mid-County basin, and active work on ASR and recycled water applications in both the Santa Margarita and Mid-County basins are providing actionable results highlighting project development and implementation. Funding has been allocated, and financing for project planning and construction has been included in annual budgets and multi-year capital improvement programs. These steps are indicative of significant progress by just the City and Soquel Creek water agencies and other local agencies have similar actions underway.

**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)
- WILL NOT BE IMPLEMENTED** – explain why

**Required response explanation, summary, and timeframe:**

The implication of this recommendation is that what is lacking is a “one stop shop” solution where interested members of the community can go to see the whole problem and solution laid out. The City’s perspective is that, to the extent that there is public interest in water supply reliability, those interested want to know more about what is going on to address climate change and drought resiliency in their specific service areas than about the broader picture described in this recommendation.

Santa Cruz uses a variety of communication and outreach mechanisms to communicate to its water service customers about what problems the utility is working to solve, and what solutions are under consideration or development. Regional collaboration is always described but system specific issues that drive project selection in individual water service areas aren’t usually included because the details quickly become complicated and thus, actually reduce the effectiveness of the intended communication.

**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)

**WILL NOT BE IMPLEMENTED** – explain why

**Required response explanation, summary, and timeframe:**

This recommendation is duplicative of work already planned and completed by several of the local water agencies and is not needed at this time.