



Santa Cruz County
Civil Grand Jury

Santa Cruz Grand Jury <grandjury@scgrandjury.org>

SLV Water Grand Jury Final Response -Our Water Account is Overdrawn

Rick Rogers <rrogers@slvwd.com>

Tue, Aug 16, 2022 at 6:11 AM

To: "Syda.Cogliati@santacruzcourt.org" <Syda.Cogliati@santacruzcourt.org>,
"grandjury@scgrandjury.org" <grandjury@scgrandjury.org>

Cc: Gail Mahood <gmahood@slvwd.com>, Holly Hossack <hhossack@slvwd.com>

To the Honorable Judge Cogliati and the Santa Cruz County Civil Grand Jury:

Attached, please find the San Lorenzo Valley Water District's (SLVWD's) completed response packet in connection with the 2021-2022 Grand Jury Report, entitled "Our Water Account is Overdrawn, Beyond Conservation: Achieving Drought Resilience." The attached response packet includes responses made on behalf of the Board of Directors and the District Manager. The responses were approved by SLVWD's Board on July 21.

Rick Rogers

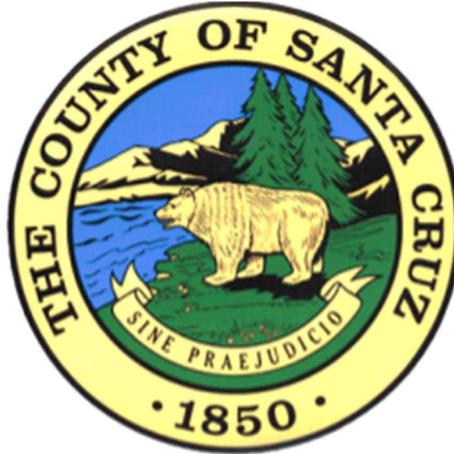
District Manager

SLV Water District

831-430-4624



SLVWD Board and DM - Final Grand Jury response packet - approved 7-21-2022.pdf
452K



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

**Board of Directors, San Lorenzo Valley Water District
District Manager,¹ San Lorenzo Valley Water District**

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.

¹ This response packet is submitted on behalf of both the Board of Directors and the District Manager Rick Rogers, in fulfillment of their obligations under PC § 933 et seq.

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:***
 - a. **AGREE with the Finding**, or
 - b. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** – provide an explanation of the reasons why.

2. ***For the Recommendations, mark one of the following actions with an “X” and provide the required additional information:***
 - a. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** – provide an explanation of why it is not warranted or not reasonable.

3. ***Please confirm the date on which you approved the assigned responses:***

The Board of Directors of the San Lorenzo Valley Water District approved these responses at a regularly noticed public meeting conducted on July 21, 2022, as shown in the Board meeting minutes.²

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 and
The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

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

² All the responses set forth herein are submitted on behalf of both the Board of Directors and the District Manager, except that the response to F1 is offered solely by the District Manager because the Grand Jury invited such response from the District Manager and not the Board.

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 District Manager³ of the San Lorenzo Valley Water District agrees with this finding to the extent that existence of conditions leading to Stage 5 of the City's Water Shortage Contingency Plan would likely be a serious concern to the entire region. The District Manager partially disagrees with the finding because the District does not have information indicating that the City's Stage 5 would have an extreme economic impact on the District or the San Lorenzo Valley. No-growth policies have been in effect for decades in the San Lorenzo Valley, which help this area live within its means in terms of water resources and allow for potentially high local resiliency to drought conditions.

The District is fortunate to have access to a diversity of water supplies, which has helped the District continue to provide reliable, safe and high quality water to the local community despite serious damage to water infrastructure caused by the CZU wildfire. Wildfire damage has kept several major water intakes offline while the District's water system undergoes repairs. Many of the same factors that allow the District to maintain water service under emergency conditions in the San Lorenzo Valley also create the potential to conjunctively manage District water supplies to enhance local water supply reliability while creating environmental benefits in the San Lorenzo River watershed.

³ The Grand Jury invited the District Manager to respond to this finding and did not assign it to the District's the Board of Directors, and accordingly this response is offered by the District Manager and not the Board.

F2. There is an urgent need to create a county-wide drought-resilient water storage and delivery infrastructure.

AGREE

PARTIALLY DISAGREE

DISAGREE

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

The Board of Directors and the District Manager of the San Lorenzo Valley Water District agree with the finding that there is an urgent need to create drought-resilient water storage and delivery infrastructure. This need is present throughout the State of California and particularly affects areas such as Santa Cruz County and neighboring areas that lack direct access to imported water. The District and many other governmental and non-governmental entities and individuals have been working diligently to address such issues for decades -- and with increased urgency after years of experiencing the effects of climate change including prolonged drought and wildfire.

We partially disagree with the finding to the extent that a County-wide approach may not be the most effective way to meet the needs that exist within the County. In fact, areas within the County served by various water agencies have different geographical and hydrological characteristics and water-supply challenges. For example, the District is geographically distinct because of its location in the San Lorenzo Valley, which is distinguished as a no-growth area with declining water demand due to effective conservation efforts. Moreover, the District is fortunate to have access to diverse sources of surface and groundwater within the San Lorenzo Valley. For all of these reasons, the most critical drought resiliency issues facing the San Lorenzo Valley and the District, and the most practicable solutions, are quite distinct from other areas of the County.

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

AGREE

PARTIALLY DISAGREE

DISAGREE

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

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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**):

We agree that groundwater reserves provide a valuable buffer against drought-related water shortages. We partially disagree with the finding because the District's approach for achieving such reserves is described in the District's proposed Conjunctive Use Plan (CUP). The CUP was developed in partnership with the County's Water Resources Division. It was published in July 2021 and currently is undergoing review and possible revisions in light of legal and other comments received during the environmental review process. The District is working toward finalizing and implementing its CUP in cooperation with neighboring water agencies and regulators.

The District is fortunate to have access to diverse sources of surface and groundwater that give the District the ability to conjunctively manage its water supplies to enhance water supply reliability while creating environmental benefits. The CUP envisions increasing the ability to call upon unused or underutilized water sources when water is available in order to rest groundwater wells and thereby promote recharge in the Santa Margarita groundwater basin. Increased recharge of the basin would, in turn, increase minimum base flows in streams within the basin. The CUP presents a straightforward and achievable project for enhancing aquatic habitat and water supply reliability within the San Lorenzo River watershed and the Santa Margarita groundwater basin.

The proposed project described in documents from the City of Santa Cruz Water Department and, more recently, in the groundwater sustainability plan adopted by the Santa Margarita Groundwater Agency, involves pumping excess winter flows into the overdrafted Lompico aquifer in the Santa Margarita groundwater basin to create drought storage for the City of Santa Cruz. The principle behind storing excess surface water flows in an aquifer and then extracting the water during a drought is well understood, but, in practice there are many challenges to implementing aquifer storage and recovery (ASR) projects. For example, pumping into a deep, confined aquifer consisting of only moderately permeable sandstone/siltstone such as the Lompico aquifer is different than many successful ASR projects in shallower, more permeable aquifers.

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

AGREE

PARTIALLY DISAGREE

DISAGREE

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

We agree that cooperation between water systems, including facilitating water transfers in certain instances, is a critical component of drought resiliency planning. The District has participated in such transfers using a bidirectional intertie with the neighboring Scotts Valley Water District under an agreement that allows the two agencies to use the intertie to transfer water between themselves under emergency conditions.

The District is actively seeking to expand its ability to transfer water. For example, the District has a longstanding agreement with the City of Santa Cruz to share water from the Loch Lomond Reservoir, for which the District provided land in the San Lorenzo Valley; however, the District has not used its allotment of Loch Lomond water for many decades. The District and the City recently entered into a water supply collaboration agreement with a view toward developing an operational plan for the District to put its allocation of Loch Lomond water to beneficial use.

The District welcomes additional opportunities to partner with neighboring agencies, recognizing, however, that such projects can take many years to implement, especially where new infrastructure must be designed, funded, and constructed after comprehensive environmental review.

In addition to collaborating on inter-agency water transfers where necessary, the District's proposed Conjunctive Use Plan (CUP) entails transferring water between the three areas of the District's water system, which are operated as largely independent systems. The CUP would increase the District's ability to move water within the District from areas where water is readily available to where it is needed. Such intra-District water transfers would create benefits for aquatic habitat and water supply reliability.

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**):

We agree that water agencies in Santa Cruz County typically communicate well and frequently on a wide range of matters. One example of such collaboration is the formation of the Santa Margarita Groundwater Agency (SMGWA) as a joint powers agency by and among the District, the Scotts Valley Water District, and the County. SMGWA meets regularly and collaborates with the City of Santa Cruz Water Department, Mt. Hermon association and private well owners to provide for sustainable management of the Santa Margarita groundwater basin as required by California’s Sustainable Groundwater Management Act. The groundwater sustainability plan recently adopted by SMGWA sets forth a number of potential projects that, if implemented, would involve extensive collaboration, including with the City and the Soquel Creek Water District, on a wide range of projects. Separately, the District appreciates many offers of support and cooperation made by neighboring water entities in connection with the CZU wildfire and other previous disasters. We partially disagree with the finding because we would not characterize such inter-agency collaboration as being “limited and narrow in scope.”

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**):

We agree that water agency communications to the public often emphasize conservation and sustainability. Legal mandates drive many such communications. For example, California statutes and regulations require water purveyors to adopt and implement water shortage contingency plans (WSCPs). WSCPs establish the actions to be taken by water agencies in response to drought and other impacts on local water supplies. Such actions may include community outreach and education about the importance of conserving water. Similarly, “sustainability” has been a frequent topic of communications by the District and outreach by Santa Margarita Groundwater Agency since the historic passage in 2014 of California’s Sustainable Groundwater Management Act. The District also communicates with its residents about the District’s efforts to achieve drought resilience through, among other things, conjunctive use. We partially disagree with the finding because we have not observed downplaying of the need to achieve drought resilience, which is inextricably linked with water shortage contingency planning and sustainability planning.

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**):

We agree that individual water supply agencies, particularly relatively small ones such as the District, do not have the resources or mission to take the lead in developing County-centric infrastructure. The District actively collaborates with the County's Water Resources Division and neighboring water agencies and likely would participate in regional or County-wide infrastructure projects to the extent they provide benefits for the District and its residents.

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**):

We agree that the Santa Margarita Groundwater Agency (SMGWA), of which the District is a founding member, cannot focus its resources on County-wide strategies. SMGWA could participate in regional or County-wide projects to the extent such projects benefit the Santa Margarita groundwater basin and are consistent with SMGWA's mission under the Sustainable Groundwater Management Act. Several of the proposed management actions in the Groundwater Sustainability Plan submitted in January 2022 by SMGWA involve regional collaborations that address drought resilience -- in particular the proposed projects to use the Lompico aquifer for drought storage for the City of Santa Cruz and to use treated wastewater from Pure Water Soquel to augment groundwater supplies in Scotts Valley Water District.

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**):

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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 District is a founding member agency of the Santa Margarita Groundwater Management Agency (SMGWA). SMGWA already has broad authority under the Sustainable Groundwater Management Act (SGMA), the Joint Powers Act, and its governing documents. Such authority includes the ability to collaborate on drought resiliency projects to the extent such projects benefit the Santa Margarita groundwater basin and are consistent with SMGWA's purpose and jurisdiction as a groundwater sustainability agency. Under SGMA, the purpose of a groundwater sustainability agency such as SMGWA is to sustainably manage its groundwater basin to prevent certain undesirable conditions such as chronic lowering of groundwater levels, degraded water quality, decline in base flows to creeks from groundwater (necessary for fisheries, etc.), and deterioration of groundwater-dependent ecosystems. Avoiding these undesirable conditions may, at times, be inconsistent with providing water to areas outside the basin and therefore be at cross-purposes with considerations of regional drought resiliency.

R2. By December 31, 2022, local water districts should jointly publish an integrated drought-resilience action plan that includes essential infrastructure improvements, estimated costs and schedule to complete improvements that will deliver drought resilience to the Mid-County Groundwater Basin, the City of Santa Cruz, and the Santa Margarita Basin by December 31, 2029. Agencies to respond are the San Lorenzo Water District, the Scotts Valley Water District, the City of Santa Cruz Water Department, the Soquel Creek Water District, the Santa Margarita Groundwater Management Agency, and the Mid-County Groundwater Management Agency.

- **HAS BEEN IMPLEMENTED** – summarize what has been done
- **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- **REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- X** **WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

Through the District’s participation in the Santa Margarita Groundwater Agency (SMGWA), the District already has made significant contributions toward prioritizing a list of potential projects set forth in SMGWA’s recently adopted groundwater sustainability plan. The list includes inter-agency and regional projects that would have drought resiliency benefits. Additionally, the District has its own prioritized list of urgently needed infrastructure improvements. Some of these projects, such as the Fall Creek Fish Ladder, are part of the District’s ambitious Capital Improvement Plan. Some projects are being pursued in connection with the District’s proposed Conjunctive Use Plan, which, upon its adoption, would allow the District to operate its water systems more efficiently and put its Loch Lomond allotment to use, with benefits for water supply resiliency and fisheries. Other projects, such as the Five Mile Pipeline reconstruction and several potential water system consolidations, are part of the District’s ongoing recovery from the CZU wildfire emergency and effort to assist our neighbors who were badly impacted by the wildfire. The District is deeply committed to such projects and collaborating with its neighbors and other partners such as state and federal funding sources to achieve them. In light of the already extraordinary demands placed on District resources by these projects and other mission-critical priorities, the District is not in a position to invest in a County-wide integrated drought-resilience action plan.