

Water Advisory Commission

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



AGENDA

SANTA CRUZ COUNTY WATER ADVISORY COMMISSION Wednesday February 7, 2024, 4pm

This meeting will be held in hybrid format. Commissioners are expected to attend in person. In-Person: 701 Ocean Street; **Fifth Floor Redwood Room** (Note the new location)

Remote via Teams: <u>Click here to join the meeting</u>; Meeting ID: 299 898 751 288 Passcode: Vp8au6; <u>+1 831-454-2222</u> Phone Conference ID: 440 754 599#

A. <u>OPENING</u>

1. Call to Order 2. Roll Call

B. <u>PUBLIC COMMUNICATIONS</u>

Opportunity for the public to comment on items under the purview of the Water Advisory Commission but not on today's agenda.

C. <u>CONSENT AGENDA</u>

Items on the consent agenda are considered to be routine in nature and will be acted upon in one motion. Specific items may be removed by members of the advisory body or public for separate consideration and discussion. Routine items that will be found on the consent agenda are meeting minutes, drought response updates, and Groundwater Sustainability Agency updates.

- 1. Approval of Meeting Minutes for December 6, 2023
- 2. Update on County Drought Response
- 3. Update from Groundwater Sustainability Agencies

D. <u>COMMISSIONERS' REPORTS</u>

Opportunity for Commissioners to provide brief updates

E. STAFF REPORTS AND ANNOUNCEMENTS

Opportunity for staff to provide brief updates

F. <u>NEW BUSINESS</u>

1. Big Basin Water Company Next Steps

Hear a presentation from the Local Agency Formation Committee (LAFCO) about potential long-term governing options for Big Basin Water Company (BBWC), and consider action requesting the Board of Supervisors ask State representatives to compile lessons learned from this experience.

Attachment: Staff Memo

Letter from BBWC customers to San Lorenzo Valley Water District (SLVWD) dated December 15, 2023 Response from SLVWD dated January 11, 2024

2. <u>Commissioner Stipend Program</u> Introduction to the new Commissioner Stipend Program Attachments: Stipend Program Email Stipend Payment Instructions Stipend Program Aud-7 Form

G. UNFINISHED BUSINESS and UPDATES

 <u>Commission Restructuring Update</u> Staff will lead a discussion regarding next steps for the Water Advisory Commission to implement changes approved by the Board of Supervisors at their January 30th, 2024 meeting.

Attachment: Staff Memo Santa Cruz County Code Chapter 2.96 WAC Bylaws

- 2. <u>Well Ordinance Update Status</u> Materials from meetings 1 - 3 can be found at the website: <u>https://scceh.com/NewHome/Programs/WaterResources/WellOrdinanceUpdate.aspx</u>
- 3. <u>Water Advisory Commission 2022-2023 Biennial Report</u> Preview of the report which will be included in the February 13, 2024 Board of Supervisors meeting.

Attachment: 2022-2023 Biennial Report

H. <u>CORRESPONDENCE</u>

None

I. BOARD OF SUPERVISORS ACTION ON ITEMS AFFECTING WATER:

January 30, 2024

DOC-2024-99: Consider report with initial recommendations on County commission restructuring,

10. approve in concept "Ordinance Repealing Chapters 2.52, 2.56, 2.60, 2.84, 2.92, and 2.125 of the Santa Cruz County Code to Sunset Various Advisory Commissions" and "Ordinance Amending Chapter 2.106 of the Santa Cruz County Code (Santa Cruz County Emergency Management Council)", schedule the ordinances for second reading and final adoption on February 13, 2024, direct the County Administrative Office to return on or before August 27, 2024, with further updates and recommendations, and take related actions, as outlined in the memorandum of the County Administrative Officer Adopted as amended [4 to 1] ^(h)

DOC-2024-74 : Adopt resolution accepting unanticipated revenue in the amount of \$850,000 into the

41. Fiscal Year 2023-24 budget to support Big Basin Water Company and court appointed receiver, and take related actions, as recommended by the Director of the Office of Response, Recovery and Resilience Approved as amended By Consent Vote [Unanimous]

DOC-2024-77 : Accept and file the Santa Cruz County Water Resources Management Status Report 44. <u>for 2023, as recommended by the Director of Health Services</u>

December 5, 2023

34. DOC-2023-959 : Authorize the General Services Department to release a Request for Proposals (RFP) for Water Quality Assistance Services, and direct the Health Services Agency to return with selected vendor(s) and contract(s) once the RFP process is completed, as recommended by the Director of Health Services Approved as amended By Consent Vote [Unanimous]

J. ITEMS OF INTEREST

December 23, 2023. New York Times. Strawberry Case Study: What if Farmers Had to Pay for Water? (attached)

January 4, 2024. Bloomberg. Taxing Groundwater Is a Sure Way to Preserve It (attached). January 8, 2024. New York Times, California Today (attached).

January 24, 2024. <u>Majority of America's underground water stores are drying up, study finds.</u> January 29, 2024 <u>Carmageddon: Pajaro Valley's College Lake project to bring more fresh water</u> <u>— and South County road delays</u>

K. AGENDA ITEMS FOR FUTURE MEETINGS

L. ADJOURNMENT



Water Advisory Commission

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MEETING NOTES SANTA CRUZ COUNTY WATER ADVISORY COMMISSION

Wednesday December 6, 2023, 4pm

Meeting held in hybrid format: In-Person: 701 Ocean Street; Fifth Floor Redwood Room and Remote via Teams

A. <u>OPENING</u>

- 1. Call to Order at 4:02 pm
- 2. Roll Call

Commissioners present:

- Cheap
- Gillespie
- Largay
- Lego
- Pereyra
- Wilson
- Lockwood

Staff: Sierra Ryan, Erin McCarthy Public: Becky Steinbruner; John Ricker; Joe Serrano (LAFCO)

B. <u>PUBLIC COMMUNICATIONS</u>

Opportunity for the public to comment on items under the purview of the Water Advisory Commission but not on today's agenda.

Steinbruner: Regional Water Board will consider 2 items on Pure Water Soquel Project at their 12/15/23 meeting; encourage Commissioners to attend; AEM study results are now available; I hope there will be discussion on that.

Lockwood: would be interested to have presentation on that from DWR

C. <u>CONSENT AGENDA</u>

- 1. Approval of Meeting Minutes for October 4, 2023
- 2. Update on County Drought Response
- 3. Update from Groundwater Sustainability Agencies

No comments;

Approved: motion by Cheap; second by Wilson; all in favor

D. <u>COMMISSIONERS' REPORTS</u>

Opportunity for Commissioners to provide brief updates

Lego: PFAS and San Andreas Mutual Water Co.– put together report, our levels were low; estimated PFAS settlement amount was \$50,000; cost of testing is substantial so can put toward that; Chrom6 MCL continues to move forward, following that; our nitrates have been creeping upward in our wells; 2 wells within 50ft – each have very different nitrate levels; concerned about increasing levels

Cheap: may be studies that can be done

Gillespie: SLVWD appointed Brian Frus to replace Rick Rogers; also approved plans for P-Vine pipeline; SVWD in CEQA comment period.

Largay: SLVWD hopefully will get through transitions well;

Cheap: does anyone know of surveys going on about desal in the County? Ryan: it did come up at last City of Santa Cruz Commission meeting

Lockwood: ACWA meeting last week; more positive than last year; reported CA was at 52% of average rainfall for this year; one report was on a voter initiative that would impact the rate-changing process

E. STAFF REPORTS AND ANNOUNCEMENTS

Ryan: Big Basin Water Co., water supply side – still meeting every other week with regulators; discussed LAFCO process; considered options for take over and consolidation; impressed with the court-appointed receiver; wastewater side – Public Works looking at possibility of taking over wastewater system/consolidate with CSA 7; there are major challenges associated with that; receiver also named to take over wastewater side – same receiver as water supply.

Largay: very expensive per connection Ryan: aren't many financing options because is private entity; benefit of public consolidation is it may open up funding options. Steinbruner: Could Joe Serrano give us some info? Ryan: is not agendized but could put on agenda for next meeting

F. <u>NEW BUSINESS</u>

1. <u>Water Status Report</u>

Ryan: came together well this year; anything that should be highlighted that wasn't?; edits?

Pereyra: is comprehensive Lockwood: lots of info and good resource; wonder if people know about it

Ryan: could present it to Board of Supervisors next year (when new Supervisors are on Board)

Pereyra: important for historical record

Ryan: municipal water use was really low

Lockwood: suggest making executive summary "brochure" for Supervisors and public that includes just the most important items

Largay: add section on what we would do if we had more resources

Lockwood: could also note what the total financial investments in the County projects are

Largay: page 46 of the pdf; water quality monitoring map; consider section on the action plan for waters that are not swimmable/fishable; text doesn't discuss much about MCL exceedances on bacteria that make waters unswimmable; Largay: Fig. 8 has no legend indicting meaning of colors or dates

Lockwood: Fig. 5 – typo (missing word "feet")

Steinbruner: hope you will do presentation to Board; people are concerned about water; include GSAs; seeing conservation in County; including something on direct potable reuse; would like to see copies in libraries – I am willing to pay for costs of binding

Ricker: great info

Largay: results of public opinion poll for County showed public was concerned about water resources

Motion to take to Board of Supervisors for review and approval by Lego, second Largay, all in favor

G. UNFINISHED BUSINESS and UPDATES

 <u>Well Ordinance Update Status</u> Materials from meetings 1 and 2 (available by December 5th) can be found at the website: <u>https://scceh.com/NewHome/Programs/WaterResources/WellOrdinanceUpdate.aspx</u>

Ryan: creating public forum for rest of Commissioners to talk with those that are on the Well Ordinance Update TAC; had our first meeting in November, next one on 12/8;

Pereyra: what is the interpretation of the Commissioners on TAC?

Lockwood: first TAC meeting was introduction to the Well Ordinance; participated in a small group meeting last week with groups that process well applications;

Pereyra: what group would be most impacted?

Lockwood: farmers; they have largest wells, considerations include sustainability issues and potential impacts to nearby wells;

Cheap: how many well permits denied?

Ricker: very few, ministerial process

Largay: impressive group, I learned a lot; exercise seems to be to edit the code;

Steinbruner: interested in reports on how well ordinance has changed; e.g., if wells would be limited in the future and under what criteria. GSAs review well permits now?

Ryan: yes they do; all in Pajaro Basin so far.

Cheap: monitor production and aquifer levels and provide that data annually would be valuable;

Lockwood: we do that, about half our wells are in Monterey County

Ryan: 371 monitoring wells (GSA Data Management System Website)

2. <u>Commission restructuring update</u>

Staff will update the Commission on discussions with the CAOs office about the possible restructuring of this and other similar Commissions. Action may be taken by the Commission.

Ryan: October 17 BOS meeting included this topic; met recently with CAO office; 40 Commissions and 240 Commissioners that report back to Board representative; recommendations in January; interested on your ideas about streamlining; will discuss roles of Commission on Environment and Fish & Wildlife Advisory Commission (FWAC) and consider overlap. Also is an Intercommission Working Group. FWAC focus on fish, wildlife and habitat, this group's focus has been more on water supply, Commission on Environment has been very focused on energy. We could consolidate more with Commission on the Environment and take on more about climate change, and keep FWAC; how would the structure change? Would like to get feedback to share.

Lego: we focus on important items and there are a lot; would be a lot to include other environmental issues; diluting responsibilities of this Commission seems wrong

Largay: what is most helpful to staff to do their jobs well?

McCarthy: would we need to keep SB552 advisory group? Yes.

Ryan: still would need water advisors

Lockwood: if consolidated, we'd probably need 3 hour meetings; what would make us more actionable;

Cheap: I think this is fabulous Commission, I like actionable stuff; aside from SB552 I'm not sure we've gone to the Board with much

Lego: mainly here to serve staff; does combining help staff?

Wilson: I like that our Commission has a narrow focus;

Ryan: if combined with Environment, focus might be on resiliency

Pereyra: this group is unique and has knowledgeable people, are exceptional; is important for County to look for efficiency; by combining may get more efficiency; move forward with considering consolidation;

Largay: may end up doing more work through committees.

Steinbruner: committees aren't open to public, COA office wants commissions to reflect demographics of the County; making it broader would make it less effective; I'm not supportive;

McCarthy: the interest is in increasing efficiency of staff time and also effectiveness of Commissioners reporting to Supervisors

Ryan: public transparency, questions about whether or not would improve staff time, this group is valuable

H. <u>CORRESPONDENCE</u>

None

I. BOARD OF SUPERVISORS ACTION ON ITEMS AFFECTING WATER: No discussion

J. ITEMS OF INTEREST

No discussion

K. <u>AGENDA ITEMS FOR FUTURE MEETINGS</u>

Work plan Biennial report LAFCO and Big Basin Water quality strategies State AEM results

L. **ADJOURNMENT**

Adjourned at 6:03pm



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Subject: February 7, 2024 Water Advisory Commission Consent Agenda

Title: Drought Response & Outreach Plan (DROP) Update

Background

On September 23, 2021, Senate Bill (SB) 552 was signed into law. SB 552 requires that "a county shall establish a standing county drought and water shortage task force to facilitate drought and water shortage preparedness for state small water systems and domestic wells within the county's jurisdiction". The Water Advisory Commission voted to adopt the responsibility for implementing SB 552 and receives quarterly updates on the progress of implementation.

Senate Bill 552 Compliance (scceh.org)

Updates:

- County Staff met several times with staff from the Community Water Center, Health Services Agency, and Ecology Action to discuss the best approach for outreach to priority domestic well owners about water quality testing and treatment services.
- County Staff have selected Quality Water of Aptos as the vendor to supply Point of Use treatment systems and are finalizing the contract for those services.
- County staff are meeting with Supervisor Hernandez's office to discuss community outreach and a possible internship opportunity.
- County staff continues to update the support webpages for both <u>Private Well</u> <u>Owners</u> and <u>Small Water Systems</u>, which includes a link to the states "Be Well Prepared" webpage.
- Sierra Ryan continues to represent interests of local government at the State <u>Drought Response Interagency Partnership (DRIP) Collaborative.</u>

By: Sierra Ryan

Water Resources Program Manager



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Subject: February 7, 2024 Water Advisory Commission Consent Agenda

Title: Groundwater Sustainability Agency Updates

Background

There are three groundwater basins in the County subject to the Sustainable Groundwater Management Act due to the amount of groundwater pumped, the number of people dependent on that basin, and the impacts that long-term pumping has had on the condition of the basin. The following updates come from the Groundwater Sustainability Agencies tasked with managing and monitoring those basins.

Pajaro Valley Water Management Agency

PV Water Board Actions:

- Accepted and filed audited financial statements for fiscal year ended June 30, 2023
- Approved resolutions pertaining to Water Infrastructure Finance and Innovation Act (WIFIA) financing; loans should close on or about February 20, 2024
- Approved agreement with Gutierrez Consultants, Inc. for the Department of Conservation (DoC) Multibenefit Land Repurposing Grant program administration services

Basin Management Plan Implementation Update

- Recycled Water Facility Optimization
 - Reliability, Operations, and Condition Assessment Project:
 - The City of Watsonville's consultant is in the process of completing an electrical study focusing on Variable Frequency Drives (VFDs) and Standby Power Options at the Recycled Water Facility; other components are complete
- College Lake Integrated Resources Management Project

- Construction:
 - Weir Structure
 - Work extended within the Salsipuedes channel through December 15, 2023, following approval from the regulatory agencies.
 - The contractor is implementing the Winterization Plan.
 - Some work on the weir structure that is outside of the Salsipuedes Channel is allowed to continue under permit conditions.
 - Water Treatment Plant
 - Decanting lagoons: the contractor continues to pour the lagoon floors.
 - Construction of electrical building continues.
 - Raw Water Pipeline
 - Construction of the raw water pipeline has commenced.
 - Treated Water Pipeline
 - Contractor reports that 4.5-miles of 6-miles are complete.
 - Construction in Riverside Road / Hwy 129 began on January 8, 2024
- Environmental: Biological, Cultural, and Native American resource monitoring is taking place and worker environmental training continues.
- Adaptive Management Plan: Hydrologic monitoring, waterfowl monitoring, and steelhead surveys occurred this year and/or continue to occur.
 Waterfowl surveys were conducted on at least 20 separate days in 2023.
 The annual vegetation survey took place between October 2 and October 13, 2023.
- Outreach Activities: Are ongoing. Staff presented to the Santa Cruz County Farm Bureau's Public Policy Committee in November. Please check <u>https://www.pvwater.org/construction</u>; regularly for construction related updates.
- Watsonville Slough System Managed Aquifer Recharge & Recovery Projects
 - Permitting: Ongoing.
 - Design: Basis of Design Report (i.e. 30% submittal) will be completed this month.

- Environmental: Archeological and biological (wetland delineation) surveys occurred in November; staff and consultants have updated the project description.
- Harkins Slough Recharge Basin Recovery Wells 2022 Project: The contractor completed drilling and developing the three new wells; the contractor is installing electrical surge protection devices for all the recovery wells.

Santa Margarita Groundwater Agency

- The Santa Margarita Board will meet on February 29th. The Board is expected to:
 - Receive an update on the ongoing groundwater sustainability program.
 - Receive the Water Year 2023 Annual Report for the basin.

Santa Cruz Mid-County Groundwater Agency

- The Mid-County Board will meet on March 21st. The Board is expected to:
 - Consider adopting a policy to implement a well registration, metering, and reporting program for non-de minimis users of groundwater in the basin.
 - Receive an update on the required 5-year evaluation of the Groundwater Sustainability Plan.
 - Receive the Water Year 2023 Annual Report for the basin.

By: Sierra Ryan

Water Resources Program Manager



Water Advisory Commission 701 Ocean Street, Room 312, Santa Cruz, CA 95060 (831) 454-3154 TDD/TTY -Call 711 www.scceh.com EnvironmentalHealth@santacruzcounty.us



Subject: February 7, 2024 Water Advisory Commission (WAC) Agenda Item

Title: Big Basin Water Company updates and possible action

Recommended Action:

- 1. Receive a presentation by Joe Serrano from LAFCO regarding alternatives for the long-term management of the Big Basin Water Company.
- Consider requesting the Board of Supervisors to send a letter advocating for evaluation of the causes of the failure of the Big Basin Water Company, a compilation of lessons learned from the involved parties, and recommended actions to be taken by the State to prevent further similar situations.

Background

After years of mismanagement, inadequate supply, and frequent water outages, Big Basin Water Company has been operating under the management of a Court-appointed Receiver since October 2023. The system was in critical condition when the Receiver took over, relying on hauled water that cost many fold the revenue being brought in through customer rates. The current rates are a fraction of those of the neighboring San Lorenzo Valley Water District, a problem exacerbated by the lack of a comprehensive billing system or even customer list. With inadequate supply and a heavy reliance on expensive hauled water, the Receiver had to consider the possibility of closing the water system in the Fall of 2023, a situation that was thankfully avoided due in part to emergency funding from the County and a large emergency grant from the Department of Water Resources.

Recent Updates

Shortly after the Receiver was appointed and the true condition of the water system was realized, the County put in a request to the California Department of Water Resources (DWR) for emergency grant funds to keep the system operational. DWR originally approved a grant of \$240,000 to pay for purchased water, however there was not enough total funds or flexibility in how they could be spent to address many of the urgent system shortcomings. After several conversations with the Receiver Nicolas Jaber, and with high-level staff at DWR, an amendment was approved which increases the grant amount to \$850,000 with added flexibility. Some of this funding is to be spent on a comprehensive evaluation of the water system. This is a critical first step to either identify system upgrades needed for BBWC to

continue to operate independently, or for the evaluation of a potential consolidation with San Lorenzo Valley Water District (SLVWD).

The January 4, 2024 SLVWD Board of Directors meeting packet includes a request that SLVWD consider consolidation with BBWC and an acknowledgement that rates will need to be raised accordingly. The request wassigned by nearly 280 customers of the BBWC. Joe Serrano from the Local Agency Formation Commission (LAFCO) will be presenting to the WAC some more information about the options for future governance of the system.

Consider Recommended Action Requesting Incident Report

Several representatives from the County participate in bi-weekly check-ins with the other agencies and elected officials with interest in or oversight of the BBWC. During the Mid-January meeting, Sierra Ryan, the County's Water Resources Manager, asked whether any of the agencies were working to capture the lessons learned from this in order to understand how the system was able to fail to the point that it was on the brink of being shut down. While both the paperwork filed in the lawsuit to appoint the Receiver, and the information in a California Public Utilities Commission (CPUC) rate increase recommendation, provide some useful background, there is no current plan to take a comprehensive look at what happened or to create a coordinated lessons-learned report.

There have been many successes that should be captured including the regularly scheduled inter-agency meetings spearheaded by the Division of Drinking Water, which provide updates and promote coordination.. Additionally, the State Water Resources Control Board (SWRCB), Regional Water Quality Control Board (RWQCB), and County have supported several productive community meetings. The former management of the BBWC was removed through the successful filing for receivership by both the SWRCB and RWQCB and there is now an experienced law firm overseeing the water and wastewater systems. The situation has also witnessed swift movement by the County and DWR to provide emergency funding to the Receiver, ensuring continued water access for customers.

However, alongside these achievements, it is crucial to acknowledge specific failures that have contributed to the BBWC's unfortunate situation. Some of these failures include:

- 1. **Long-standing Drinking Water Violations:** Numerous years of drinking water violations pre-dating the CZU fire in 2020 and persisting long after the incident.
- 2. **No Wastewater System Inspection after Disaster:** The Wastewater Treatment Plant was not inspected by the RWQCB after the CZU fire for two years, during which time there were overflows and mosquito breeding.
- 3. **Inadequate Water Rates:** Water rates were significantly below neighboring water systems, impeding the BBWC's financial stability.

- 4. Lack of Adequate Insurance: Insufficient insurance coverage to fund the system's rebuilding after the fire exacerbated financial strain and led to the reliance on a single well for the entire system's water supply.
- 5. **Inadequate Record Keeping:** BBWC's lack of proper record-keeping, including the absence of a list of drinking water customers, has made it hard to provide updates to customers and for the Receiver to do the system billing.
- 6. **Inaccurate Statements of Diversion:** The previous management of BBWC submitted wildly inaccurate information in their Statements of Diversion, which claimed water use in clear violation of their surface water rights. These were never reviewed.
- 7. **CPUC Rate Increase Delays:** The CPUC rate increase process has taken over a year, despite critical needs for system upgrades and operations, resulting in financial challenges.
- 8. **No Qualified Receiver List:** Absence of an active and regularly maintained list of individuals or firms qualified to act as a court-appointed Receiver delayed the ability of the SWRCB to take legal action requesting the naming of a Receiver, who was in turn identified by the County on the state's behalf.
- 9. **Insufficient Resources for Receiver:** No resources were provided in the lawsuit or by the State Water Resources Control Board to the Receiver to manage the system in the short-term, leading to an emergency situation where system shutdown was considered.

Given that it has taken immense public resources to keep the system operational, and knowing that this situation could easily happen again, staff believes that it is critical that an evaluation be done that examines what happened and makes actionable recommendations. Staff is recommending that the Water Advisory Commission take action to request that the County Board of Supervisors send letters to the following offices and entities. These letters would request that these agencies work together to develop a comprehensive incident report, detailing the regulatory failures and oversight gaps that contributed to the BBWC's failure, with an eye toward any remedy legislation or agency policies necessary to avoid any similar situations:

Governor Gavin Newsom, Senator John Laird, Assemblymember Gail Pellerin, State Water Resources Control Board, California Public Utilities Commission, Court-appointed Receiver of the Big Basin Water Company, Secretary of Natural Resources, Central Coast Regional Water Quality Control Board, Director of the Department of Water Resources.

Holly Hossack

From:	Hillhousefarm <hillhousefarm@yahoo.com></hillhousefarm@yahoo.com>
Sent:	Friday, December 15, 2023 6:29 PM
То:	Board of Directors
Subject:	letter from the customers of BBWC
Attachments:	BBWC customer letter to SLVWD.pdf

To: San Lorenzo Valley Water District

We are a group of Big Basin Water customers who have been working with our elected officials at the county and state, the CPUC and the Division of Drinking Water over the last 10 months. We have created communication avenues for the Big Basin Water Company customers so they can receive information and announcements about outages, boil notices, and the ongoing evolution of the water situation.

Over the last two weeks, we have contacted other Big Basin Water Company customers inquiring if they would support a merger with San Lorenzo Valley Water District. While we do not have a complete contact list of all the BBWC customers, we had approximately 257 customers give their permission to add their names to the attached letter.

Big Basin Public Water Initiative Shandra Hunt Patrick LaBruzzo Julie Jennings Antonia Bradford Christopher Bradford Ann Thryft Dec. 15, 2023 To San Lorenzo Valley Water District,

The customers of Big Basin Water Company request your consideration on a very urgent matter. As you are aware, our water utility has been placed under a court ordered receivership and in need of a long term, sustainable solution. We believe the best solution is a merger with SLVWD. SLVWD has provided much appreciated emergency assistance time and again to BBWC, including a safe filling station, in times of dire need.

The undersigned customers support a merger with SLVWD. We understand the usage rates of SLVWD are higher than those of BBWC.

The customers of Big Basin Water Company request your immediate negotiation with the appointed receiver, Nicolas Jaber.

We appreciate your consideration in this matter.

Shandra Hunt Ann Thryft **Christopher Bradford** Antonia Bradford Patrick LaBruzzo Elizabeth LaBruzzo Charlotte Labruzzo Julie Jennings **Jake Jennings** Larry Greene David Schumacher Molly Sullivan Mary Holland Linda K. Moore Alston C. Moore Owen Doyle Shireen Doyle Lucas Doyle Lauren Doyle Samuel Singer **Christopher Schroeder** John Arrasjid **Catherine Arrasjid** Sofia Arrasjid Lila Arasjid Jonathan Muir Jessica Anderson Rob Van Horn Patti Van Horn Melinda Newfarmer

Mark Haves Kathryn Hayes Katherine Delagrange Janet Graul Marybeth Boyle Joe Madariaga Kayley Ingallis-Rose Kris Taylor Annett Dreher Lisa Mongetta Nick Calabray **Yvonne Hopkins** Jason Atkinson Callum Atkinson **Devin Runneals Skip Schenker Elizabeth Eames** Lisa Carrell **Bradley Carrell** Kat Delagrange Chris Johnson Ian Johnson Bryan Ciraolo Jamie Ciraolo Jim Hawkins Marjorie Hawkins Joshua Hawkins **Diego Hawkins Rebecca Steinburg Darlene** Peterson

Kenneth King Renee Lusk - King Miles King Jude Faraday Daniela Apostol Gene Jamieson William Weigel Jeanne Jamieson Janis Nelson John Burrell Mary Burrell John Mazetier Brian Dean Emma Dean Jon Payne **Elizabeth** Payne Kevin Wade Brian Bina Sean Salazar **Denine** Jones **Robert Jones** Shelby Jones **Michael Martin** Aerin Martin Tracy Rehal Michael Rehal John Robinson **Betty Robinson** Carlos De La Cruz Marc Weil

Kevin Kurek Monty Kurek Frank Calabray Janey Griffin **Gary Griffin** Susan Welsh **Christos Foundoulis** Jean Schwald Darvl Schwald Marthann Noce Andrew Noce Dan Hughes **Christine Hughes** Crystal Maro Chris Maro **Chantel Murray** Scott Murray Kelly Peery Joan Peery Marius Enache Daniela Enache Alex Enache **Rvan Micheletti** Amanda Micheletti Jeannette Close **Meg Davies** Joel Davies **Elizabeth Chance** Kelton Shields Kelly Gronau Craig Gronau Milton Rivera Estrella Rivera Jonathan Rivera William Rivera **Desmond Keene** Dvlan Keene Ruaidri Keene **Brenda** Rogers **Patrick Rogers** Yelena Sedova Hayden Burke **Brittany Burke** William Kuelker Kimberly Kuelker Mollie Kuelker Vallory Kuelker

Hallie Hurlburt Chad Hurlburt Annalivia Hoff Isabel Hoff **Gunner Hurlburt Riverlee Greene** Kenneth Wogberg Debra Wogberg **Danny Bills Elaine Bills** Jennifer Parks Michael Parks Maria Liebold Sheri Houdesheldt **Taylor Houdesheldt** Norman Houdesheldt John Armstrong **Cynthia Armstrong Robert Costa** Carol Costa Lisa Taber **Daniel Blanchette** Luke Immel Cathy Immel Andy Immel Tami Stuparich **Kirk Stuparich** Natasha Prose Alison Breeze Susan Welsh Martha Lazo Edward Jones **Kristin Jones Cindy Wilkinson** Lyn Wilkinson Sanju Bose Jessalyn Saulietis **Erik Saulietis** Judith Milgram **R.** James Milgram **Benjamin** Evare Julie Lucia Chris Lucia Adam Widmer Sarah Widmer Lucia Widmer Isaac Widmer

Laurel Becker Mark Becker **Quinn Becker** Kaleen Stewart Mark Stewart **Diane Stewart** Bill Hassell Margaret Gorball Jeannette Larson Jerry Larson Nancy Caracappa Karen Amiel **Robert Siblev** Scott Murray **Chantel Murray** Tanner Murray Sharon Howard Doug Howard Clara Ricabel Alex Niapas Isabelle Ross **Diego Ross Roger Wapners Bill Clarke** Celine Clark Mark Capestany Jo Ann Stenlund Gundula Sartor Zachary Bailey Laura Bailev Michael Arnett Katheryn Kinerson Angela Santos **Robert Jones** Rose Ann Maguire **Bradford Powell** David Brown Inge Everly Jack Everly Arkady Elterman Joe Beasley **Rochelle Kelly** Debra Makey **Christin Armstrong** Chris Monzert Mark Hayes Kathryn Hayes

Claire Shafe Jeff Shafe Matt Brinkman Ellen Knobeloch Yogi Brinkman Terry Crites Yuliya Hawkins Aaron Hawkins Em Hawkins Cal Hawkins

Bob Paredes Todd Kerkhof Vladmir Sarser Arthur Coulston Sylvie Coulston Steve Lampkin Harry Plummer Tera Reason Jack Reason Kurt Reason Erin Wilkie Anthony Leonard Ona Jones Cari Wagner Cathy Bedford Tom Boyd



January 11, 2024

Dear customers of Big Basin Water Company,

We acknowledge the importance of your December 15, 2023 letter requesting consideration of a merger between Big Basin Water Company (BBWC) and the San Lorenzo Valley Water District (SLVWD). The SLVWD understands the need for a long-term, sustainable solution to BBWC's water supply challenges. In 2021, the SLVWD Board of Directors (Board) authorized limited expenditures of staff time and District resources to explore consolidation. These expenditures were used to determine any legal barriers and to assess if consolidation could be accomplished without financially impacting SLVWD's existing customers. During this time, SLVWD consistently extended emergency support, provided essential tools, staffing, and maintained potable water filling stations for BBWC.

At its meeting on February 16, 2023, the Board voted to suspend efforts to evaluate a potential consolidation with the BBWC. In its memo to the Board, SLVWD staff stated that: "they have not been able to identify a path forward for consolidation that protects the current SLVWD customers from absorbing costs". The Board cited a February 16, 2023, letter from Supervisor McPherson recognizing that the SLVWD and County had put in considerable effort. In that letter, McPherson further indicated that it had been "difficult to move forward with consolidation as a result of financial and regulatory challenges" and that the "County continues to advocate for more meaningful action by the State and advocate for funding".

SLVWD continues to provide emergency assistance to BBWC in times of need and is a willing participant in seeking a solution to BBWC's supply challenges. However, out of the obligations to its ratepayers, SLVWD cannot pursue additional efforts toward consolidation at this time given the financial challenges. Since a solution comes down to funding, it may be most fruitful to direct efforts toward lobbying your State and Federal representatives to provide the financial assistance that BBWC needs.

Once funding becomes available, and a workable path forward is developed, staff would then have something tangible to bring back to the SLVWD Board for further consideration. Please know that SLVWD will continue to provide emergency assistance as feasible to support the neighboring BBWC community.

Sincerely

Brian Frus Interim General Manager

Cc: SLVWD Board of Directors, C. Blanchard-Admin Analyst

13060 Highway 9 Boulder Creek, CA 95006, <u>www.SLVWD.com</u>, (831) 338-2153

From:	Elizabeth Padilla
То:	Board Commissions Liaisons
Cc:	Nicole Coburn; Juliette Burke
Subject:	Boards and Commissions Stipend Program Now Available
Date:	Thursday, January 25, 2024 11:56:32 AM
Attachments:	image002.png
	image003.png
	image004.png
	image005.png
	Stipend Program Aud-7 form (1).xls
	<u>image001.png</u>
	Stipend Payment Instructions for Board Liaisons.pdf

Good Morning,

I hope this email finds you well. I am pleased to inform you that the Boards and Commissions Stipend Program is now available for your commission members. This program allows members to opt-in or opt-out of receiving stipend payments based on their meeting attendance.

To participate or opt-out of the program, commission members should complete the online form available <u>here</u>. Payments will be processed on a quarterly basis (April, July, October, December) and will be determined by the attendance records tracked by the Staff Liaison for each commission.

Please follow the instructions outlined below to prepare stipend payments for commission members.

Stipend Details:

- Stipends will be made at a flat rate of \$75 per public meeting (unless dictated by a specific County Code provision). This includes regular meetings, special meetings and standing subcommittee meetings.
- The stipend shall not be paid to County employees or employees of other public agencies who serve on County commissions, committees, and boards as part of their official duties.
- Commission members must complete the <u>stipend form</u> to participate or opt-out if they choose not to receive the stipend.
- Commission members receiving a stipend will be required to complete a W-9 Form to be registered as a payee of Santa Cruz County in the County's vendor system.
 - W-9 Form: <u>https://tinyurl.com/j6m6uemc</u>
- If commission members prefer electronic payments, they are required to also complete the Electronic Payment Agreement and provide a voided check or bank verification.
 - Electronic Payment Agreement: <u>http://tinyurl.com/d6m64pha</u>
- The completed forms and voided check or bank verification should be emailed to the Clerk of the Board:
 - Board members need to scan and email copies of the forms and voided check or bank verification to: <u>commissionsscc@santacruzcountyca.gov</u>

How to Process Stipend Payment:

- The Staff Liaison will be responsible for tracking the attendance of each commission member and issuing stipend payments accordingly.
- Payments will be made on a quarterly basis (April, July, October, December) and will

be based on the commission members' meeting attendance.

- Every quarter please make sure to complete an <u>AUD 7 form</u> for each commission member receiving a stipend and have them sign the form.
- A special object code has been established to help track stipend payments, so please use your department's GL key plus object code 62332 when processing a stipend payment.
- Once the form is signed by a commission member, your supervisor should also sign.
- You will upload the <u>AUD 7 form</u> into Finance Enterprise using the "Accounts Payable" module to issue the stipend payment as you would for invoices.
- Liaisons must maintain accurate records of attendance for commission members and stipend payment details.

Please ensure that commission members are aware of these procedures and encourage them to submit the necessary forms based on their preferences. I will track the stipend forms as they come in on this preadsheet and send the required forms over to the Auditors office. I have shared access to the preadsheet with each of you and have included a section where you can track attendance and stipend payments.

Thank you for your attention to this matter. If you have any questions or need further assistance, please feel free to reach out.

Best regards,

Liz

Elizabeth Padilla

Senior Departmental Administrative Analyst | www.santacruzcountyca.gov



T: (831) 454-3469 E: <u>elizabeth.padilla@santacruzcountyca.gov</u> A: County of Santa Cruz, 701 Ocean Street, Room 520, Santa Cruz, CA 95060



The content of this email is confidential and intended for the recipient specified in message only. It is strictly forbidden to share any part of this message with any third party, without a written consent of the sender. If you received this message by mistake, please reply to this message and follow with its deletion, so that we can ensure such a mistake does not occur in the future.



CLERK OF THE BOARD

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2323 FAX: (831) 454-2327 TDD/TTY: call 711

Stipend Payment Process Instructions for Commission Staff Liaisons

Please follow the instructions outlined below to prepare stipend payments for commission members.

Stipend:

- Stipends will be made at a flat rate of \$75 per public meeting (unless dictated by a specific County Code provision). This includes regular meetings, special meetings and standing subcommittee meetings.
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- Liaisons must maintain accurate records of attendance for commission members and stipend payment details.

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Water Advisory Commission

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



Subject: February 7, 2024 Water Advisory Commission Consent Agenda

Title: Commission Restructuring Next Steps

Attachments: Chapter 2.96 of the County Code establishing the Water Advisory Commission (WAC), and Commission Bylaws

Background:

As discussed at the December 6, 2023 meeting there are 40 Commissions and 240 Commissioners that report back to Board members. There is also significant overlap between the powers and authorities granted to the WAC, Fish and Wildlife Advisory Commission (FWAC), and Commission on the Envirnoment (CoE). The WAC discussed the benefits and challenges presented by a possible consolidation with he CoE and determined that there were significant downsides. Staff presented this information the CAO staff, which they considered in their recommendations to the Board on January 30th, 2024.

Updates:

The following text was approved by the Board of Supervisors at the January 30th meeting:

The CAO explored a potential consolidation of the <u>Commission on the</u> <u>Environment</u> (COE) and <u>Water Advisory Commission</u> (WAC), but staff and commission members did not believe this is feasible at this time. In order to meet the requirements of Senate Bill 552, the combined commission would need no fewer than four (ideally five) designated water positions, creating a much larger commission. A combined agenda that includes water and other resilience issues would mean longer or more frequent meetings, which might dissuade existing or future commissioners from participating. The combined commission might also extend the time needed to prepare for and staff every meeting, including any potential standing subcommittees.

Instead of a merger, the CAO supports staff's interest in clarifying commission responsibilities so that there is less overlap between the COE, WAC and <u>Fish and</u> <u>Wildlife Advisory Commission</u> (FWAC). The FWAC would be solely responsible for habitat-specific concerns, removing that responsibility from the WAC. The WAC would be more explicitly responsible for water supply and water quality, limiting overlap with

situations where surface water quality is impacting habitat. Lastly, staff would review and better define the COE's purpose so that there isn't confusion with the FWAC and WAC and potentially establish a stronger connection with the <u>Climate Action and</u> <u>Adaptation Plan</u>. As responsibilities are better defined, staff will return with changes to Santa Cruz County Code Chapters 2.54, 2.90 and 2.96.

Actions:

To implement changes above, staff and Commissioners will review Chapter 2.96 of the County Code, as well as the Commission Bylaws, and discuss necessary changes. In addition to the direction provided by the Board, staff would also like to add some of the key roles and responsibilities of the WAC including reviewing the annual water status report and SB 552 implementation included in the Bylaws. Staff proposes changing SCCC 2.96.060 Powers and Duties and Article III – Powers and Duties of the Bylaws as follows:

The Commission shall be responsible for performing the following duties:

- (A) Advise the Board of Supervisors on all matters relating to water policy.
- (B) Recommend policies to the Board of Supervisors to ensure that the production of water and the development of additional water supplies are consistent with the growth management program and the General Plan of Santa Cruz County.
- (C) Recommend to the Board of Supervisors any policies necessary to protect the watersheds, groundwater, fish and wildlife, and recreational resources of Santa Cruz County.
- (D) Facilitate drought and water shortage preparedness for state small water systems and domestic wells within Santa Cruz County.
- (E) Provide opportunities for coordinating and communicating with the state and other local governments, community-based organizations, local water suppliers, and local residents on a regular basis and during drought or water shortage emergencies.
- (F) Undertake other duties relating to water resources, as requested by the Board of Supervisors.

By: Sierra Ryan

Water Resources Program Manager

SANTA CRUZ COUNTY WATER ADVISORY COMMISSION BY-LAWS

ARTICLE I - NAME

A. NAME. The name of this organization shall be the Santa Cruz County Water Advisory Commission, hereinafter known as the "Commission".

B. AUTHORITY. The Commission is organized under the Santa Cruz County Board of Supervisors as authorized under Government Code Section 310000.1 and in compliance with Chapter 2.38 of the Santa Cruz County Code.

ARTICLE II - MEMBERSHIP

The Commission shall consist of seven members, residents of Santa Cruz County, appointed by the Board of Supervisors:

A. ALLOCATED POSITIONS. Each Supervisor shall nominate one person who may reside within the Supervisor's district to serve on the Commission;

B. AT-LARGE POSITIONS. One representative of the public water purveyors shall be appointed by the Board of Supervisors on an at-large basis; One representative of the private or mutual water companies in Santa Cruz County shall be appointed by the Board of Supervisors on an at-large basis.

C. TERMS. Each member representing a supervisorial district shall serve for a term of four years, commencing on April 1st of the year in which the member's nominating Supervisor begins a full term. Each at-large member shall serve for a term of four years, staggered in accordance with subsection (A)(2) of Subdivision 2.38.100 of the Santa Cruz County Code, with such staggering determined by lot.

ARTICLE III - POWERS AND DUTIES

The Commission shall advise the Board of Supervisors on all matters relating to water policy, and shall specifically advise the board on the formulation, review, updating and implementation of the County's water master plan. The Commission shall also recommend policies to the Board of Supervisors to ensure that the production of water and the development of additional water supplies are consistent with the growth management program and the General Plan of Santa Cruz County. In addition, the Commission shall recommend to the Board of Supervisors any policies necessary to protect the watersheds, groundwater, fish and game, and recreational resources of Santa Cruz County. The Commission shall also undertake other duties relating to water quality, as requested by the Board of Supervisors.

ARTICLE IV - ORGANIZATION AND PROCEDURES

A. GENERAL ORGANIZATION. The Commission shall comply in all respects with Subdivisions 2.38.110 through 2.38.250 of the Santa Cruz County Code.

B. REGULAR MEETINGS. The Commission meetings shall be held on a regular schedule as established in advance by the Commission. There will be a minimum of 4 quarterly regular scheduled business meetings per year.

C. CONDUCT OF MEETINGS. Meetings will be conducted with that degree of formality necessary to conduct orderly business. At the discretion of the Chair or request o any member, particular business will be conducted in accordance with *The Standard Code of Parliamentary Procedure* (Sturgis)

D. STAFF SUPPORT. The County Public Works Department shall provide staff support for the Commission. The Public Works Director, or his designated representative, shall serve as the Administrative Secretary to the Commission and shall receive copies of all minutes, reports and

recommendations submitted to the Board of Supervisors by the Commission. Staff members from the Planning Department, Environmental Health Services and the County Counsel shall provide services to the Commission, and shall attend Commission meetings upon request.

E. SUBCOMMITTEES. The Board of Supervisors may establish by resolution, and in accordance with the provisions of Subdivision 2.38.070, one or more subcommittees to report to the Water Advisory Commission and the Board of Supervisors on specific water policy concerns. The membership of any such subcommittee may include persons with specialized and professional knowledge in water policy matters, as the Board may direct.

F. AGENDAS.

1. Commissioners who wish to place an item on the agenda shall give that item to the staff of the Commission at least one week in advance of the meeting.

2. At least seventy-two (72) hours prior to each regular meeting, an agenda for the regular meeting shall be mailed to each Commission member, and to each representative of the news media and to each other person who has submitted a written request to the Commission for notification of meetings, and shall be posted at least seventy-two (72) hours prior to the regular meeting at a location that is freely accessible to the public.

3. The agenda shall continue a brief general description of each item of business to be transacted or discussed at the meeting. No action or discussion shall be undertaken on any item not appearing on the posted agenda except that members of the Commission may briefly respond to statements made or questions posed by persons exercising their public testimony rights or ask a question for clarification, refer the matter to staff or to other resources for factual information, or request staff to report back at a subsequent meeting concerning any matter. Notwithstanding the foregoing, action may be taken on an item of business not appearing on the posted agenda upon a determination by two-thirds vote of the membership of the Commission, or if less than two-thirds of the members are present, by unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the County subsequent to the agenda being posted.

4. At least seventy-two (72) hours prior to each special meeting, an agenda for the special meeting shall be mailed to each Commission member and to each representative of the news media and to each other person who has submitted a written request to the Commission for notification of meetings; and shall be posted every seventy-two (72) hours prior to the special meeting at a location that is freely accessible to members of the public. No business other than that listed on the agenda will be considered at a special meeting.

5. In addition, the agenda will provide for community oral communications on items not on the agenda, which are within the subject matter jurisdiction of the Commission at the beginning of each regular meeting agenda.

ARTICLE V – BY-LAWS AMENDMENTS

Amendments to the By-Laws may be recommended by the vote of a majority of the Commissioners. Copies of any proposed amendment shall be provided to each member of the Commission not less than two weeks prior to the meeting at which a vote of said amendment is to be taken. Any amendment recommended by the Commission must then receive approval of the Board of Supervisors.



Water Advisory Commission 701 Ocean Street, Room 312, Santa Cruz, CA 95060 (831) 454-3154 TDD/TTY -Call 711 www.scceh.com EnvironmentalHealth@santacruzcounty.us



Water Advisory Commission 2022-2023 Biennial Report

This report summarizes the activities and accomplishments of the Santa Cruz County Water Advisory Commission (Commission) during 2022 and 2023.

ROLES OF THE WATER ADVISORY COMMISSION

The Commission was established in 1975 to serve as a policy advisory body to the Board of Supervisors (Board) on issues relating to the use and protection of the county's water resources. The roles of the Commission, as outlined in its bylaws, are as follows:

1. Advise the Board on all policy issues impacting water resources in Santa Cruz County, including but not limited to the following categories:

- a. Water quality and conservation.
- b. Water supply development, storage and distribution.
- c. Forestry and watershed management.
- d. Preservation of fish, wildlife, and riparian habitat.
- e. Groundwater extraction.
- f. On-site sewage disposal systems.
- g. Recreation.
- h. Water reclamation.
- i. Public health and safety.
- j. Monterey Bay preservation.
- k. Local agency water management plans.
- I. Water resource development proposals.
- m. Santa Cruz County Water Master Plan/General Plan.
- n. County ordinances, and departmental policies and regulations.

2. Staffing, funding, and other resources available to the Commission necessarily limit the duties and responsibilities outlined above. Therefore, the Commission will utilize discretion in devoting time to those activities that are most important to achieving its overall goal of enhancing and preserving Santa Cruz County water resources. County departments (Planning, HSA-Environmental Health (EH), and Public Works (DPW)) will assist the Commission in its work, by including the Commission in water related correspondence, and by having staff provide timely oral reports on pending issues.

MEETING DATES, TIME AND LOCATION

In 2022-23 meetings were generally held from 4-6 pm on the first Wednesday of even numbered months, with meetings cancelled or rescheduled depending on special circumstances. Since the end of COVID remote meeting provisions, all meetings have been held in person. Agendas are posted at least five days in advance of meetings, and are distributed electronically to local water districts and interested persons. Agendas and attachments are posted on the County website: http://scceh.com/Home/Programs/WaterResources/WaterAdvisoryCommission.aspx

COMMISSION STRUCTURE

The Commission consists of seven members, five of whom are concerned citizens nominated by individual supervisors and two that are appointed at-large. The two at-large positions represent public water purveyors and private or mutual water companies in the county. From the beginning of 2020, Cherie Bobbe served as Chair and Chris Berry served as Vice-Chair. In April 2021, Brian Lockwood was elected to serve as Chair and Chris Berry to continue to serve as Vice-Chair. In April 2022, Brian Lockwood was reelected to serve as Chair and Paul Lego was elected to serve as Vice-Chair.

Membership during 2022-2023 was as follows:

1st District: Frank Cheap
2nd District: Ray Pereyra
3rd District: Linda Wilson
4th District: Brian Lockwood
5th District: Bryan Largay
Public Water: Chris Berry-City of Santa Cruz Water Dept. until April 1, 2022, Nate Gillespie from Scotts Valley Water District was appointed in June 2022.
Mutual Water: Paul Lego, San Andreas Mutual Water Company

COMMISSION STAFF

Sierra Ryan, the Water Resources Program Manager in the EH division of the Santa Cruz County Health Services Agency, served as administrative secretary to the Commission throughout the reporting period.

ATTENDANCE

A *

P E

A *

2022	1ST DISTRICT	2ND DISTRICT	3RD DISTRICT	4TH DISTRICT	5TH DISTRICT	PUBLIC WATER	SMALL SYSTEMS		
	CHEAP	PEREYRA	WILSON	LOCKWOOD	LARGAY	BERRY	LEGO		
Feb. 2, 2022	Е	Р	Р	Р	Р	Р	Р		
April 6, 2022	Р	Р	Р	Р	Е	Р	Р		
June 1, 2022	Р	Р	Р	Р	Р	Р	Р		
Aug. 3, 2022	Р	Р	Р	Р	Е	Е	Р		
Oct. 5, 2022	Р	Р	Р	Р	Р	Р	Р		
Dec. 7, 2022	Р	Р	Р	Р	Р	Р	Р		
Р	Indicates attendance at that meeting								
E	Excused from meeting								

Absent from meeting

Present, but not formally appointed to Commission due to a lapse

P – Indicates attendance at that meeting, E – Excused from Meeting, A – Absent from meeting

* - Present but not formally appointed to the Commission yet

2023	1ST DISTRICT	2ND DISTRICT	3RD DISTRICT	4TH DISTRICT	5TH DISTRICT	PUBLIC WATER	PUBLIC WATER	SMALL SYSTEMS
	CHEAP	PEREYRA	WILSON	LOCKWOOD	LARGAY	BERRY	Gillespie	LEGO
Feb.1, 2023	Р	Р	Р	Р	Р	Р	*	Р
April 5, 2023	Р	Р	Р	E	Р	-	*	Р
June 7, 2023	Р	Р	Р	E	Р	-	*	Р
Aug. 2, 2023	E	E	Р	Р	E	-	Р	Р
Oct. 4, 2023	Р	Р	Р	Р	Р	-	Р	Р
Dec. 6, 2023	Р	Р	Р	Р	Р	-	Р	Р

Indicates attendance at that meeting

Excused from meeting

Absent from meeting

Present, but not formally appointed to Commission due to a lapse

GOALS AND ACCOMPLISHMENTS

All information regarding the Commission activities is available on the internet. The website facilitates data access and makes the Commission's work more available to the public. The Commission website address is:

http://scceh.com/Home/Programs/WaterResources/WaterAdvisoryCommission.aspx

In addition to preparing an agenda and minutes from the previous meeting, staff regularly includes pertinent water related articles in the Commission agenda packets to stimulate discussion on related topics.

Listed below are the principal issues and events that were discussed by the Commission during the past two years:

1. Update on County Water Resources Management Efforts

- Annual Water Resources Reports to Board of Supervisors
- Drought Response
- Updates to County Septic System Ordinance and Management Program
- Climate Action and Adaptation Planning

2. Pajaro Valley Water Management Issues

- The Pajaro River flood control project
- Managed Aquifer Recharge
- Basin Management Plan Update and Implementation, including the 5-year update to the alternative Groundwater Sustainability Plan
- Extension of recycled water pipeline along San Andreas Road
- College Lake Project and EIR
- Watsonville Sloughs Project and EIR

3. Santa Margarita Groundwater Issues

- Implementation of the Groundwater Sustainability Plan
- Challenges with the Big Basin Water Company

4. Mid-County Water Issues

- Implementation of Santa Cruz Mid-County Groundwater Sustainability Plan
- Status of water supply projects
- Relationships between groundwater, groundwater dependent ecosystems, streamflow, and fish

5. Coordination with Commission on the Environment and Fish and Wildlife Advisory Commission

• Ongoing subcommittee to discuss coordination of effort with COE and Fish and Wildlife Advisory Commission

6. Senate Bill 552 Compliance

• The WAC has taken responsibility for compliance of SB 552 including drought response activities and related planning.

7. Water Well Ordinance Update

• The County is investing in updating section 7.70 of the County Code pertaining to water well constructions. Two Commissioners serve on the Technical Advisory Committee for the Well Ordinance Update process, and the Commission has received regular updates.

8. Additional Significant Items

- In addition to the list of principle issues discussed above, the Commission also discussed or followed the progress of the following issues and ongoing projects:
 - Presentations by County Water Resources staff on programs they oversee
 - Commissioners were regularly updated on actions taken by the Board on items that affect water supply, water quality, fisheries and riparian habitat protection, groundwater recharge, flood control, drainage, reclaimed wastewater and other related issues.

FUTURE GOALS

In the coming years the Commission will be following-up on current endeavors. These endeavors include oversite of SB 552 implementation, commenting on and providing recommendations to the Board on County Water Resource efforts, and staying abreast of Sustainable Groundwater Management Act implementation and water supply projects. The Commission intends to continue its trend of soliciting information from various individuals and agencies as this information relates to water resources in the county. As always, the Commission will continue to evaluate important issues affecting the County's water resources, respond to requests by the Board and the public, and make timely recommendations on both policy and other appropriate matters.

Prepared by:

Sierra Ryan Administrative Staff, Water Advisory Commission

UNCHARTED WATERS

Strawberry Case Study: What if Farmers Had to Pay for Water?

With aquifers nationwide in dangerous decline, one part of California has tried essentially taxing groundwater. New research shows it's working.



<u>Coral Davenport</u> reported in the Pajaro Valley, meeting farmers, regulators and **C.E.O.s and visiting oceanfront strawberry fields. Photographs by Nathan Weyland.** Dec. 29, 2023

The strawberry, blackberry and raspberry fields of the Pajaro Valley stretch for 10 miles along the coast of California's Monterey Bay, jeweled with fruit from April through early December. The valley's 30,000 acres of farmland are also ruffled with emerald lettuces, brussels sprouts and varieties of kale, bringing in roughly \$1 billion in revenue to the region each year.

All that abundance doesn't come cheap.

While American farmers elsewhere have watered their crops by freely pumping the groundwater beneath their land, growers in Pajaro must pay hefty fees for irrigation water — making it one of the most expensive places to grow food in the country, if not the world. The cost: Up to <u>\$400 per acre-foot</u>, a standard measurement equal to water covering one acre, one foot deep. The fees bring in \$12 million a year, which is used to recycle, restore and conserve the region's groundwater.

The Pajaro Valley's unusual system — essentially a tax on water — was born of a berrygrowing disaster some 40 years ago that forced farmers to act. Today, as the nation faces a spreading <u>crisis of dwindling groundwater</u>, stemming from a combination of climate change, agricultural overpumping and other issues, some experts say the Pajaro Valley is a case study in how to save the vital resource.

"What they are doing is cutting edge," said Felicia Marcus, a former chair of the California State Water Resources Control Board and now a fellow at Stanford University's Water in the West Program. While a few other regions have imposed fees on groundwater for farming, Pajaro Valley has been one of the most aggressive and effective. "They are way ahead of the curve," she said.

Experts from as far away as China and Egypt are traveling to the valley to study the system. But replicating it elsewhere could face major challenges. For one thing, "People don't like taxes," said Nicholas Brozovic, an agricultural economist at the University of Nebraska. "There's nothing mysterious about that."

New <u>research</u> on the program revealed a direct connection between paying for the groundwater and conserving it: A 20 percent increase in the price of groundwater has resulted in a 20 percent decrease in the extraction of groundwater.


"Water can't be free anywhere," said Soren Bjorn of Driscoll's, the berry giant.



Driscoll's headquarters in the heart of California berry country.

One reason experts see Pajaro as a model: Despite the high price of water, agriculture in the region is thriving. It is the headquarters of major brands, including Driscoll's, the world's largest berry supplier, and Martinelli's, which grows most of the apples for its sparkling cider in the Pajaro Valley.

Soren Bjorn, Driscoll's chief executive, said in an interview that he "absolutely" sees the region as a model of water pricing that could be replicated in water-stressed regions from Texas to Portugal. "Water can't be free anywhere, because you can't run a sustainable water supply without pricing it," he said. "That would apply to the globe."

Yet, if the Pajaro Valley experiment were to be replicated across the country, it could trigger changes across the economy that affect both farmers and shoppers, resulting in higher prices at the grocery store while forcing farmers to abandon low-cost commodity crops that are needed for animal feed and other purposes, such as textiles.

While corporate growers of premium products like berries, which are shipped to the shelves of major chains like Whole Foods, Safeway and Trader Joe's, can absorb the price of Pajaro's water, there is no way farmers of commodity crops like cotton, alfalfa and soybeans can make the economics work, said David Sanford, the agricultural commissioner of the Santa Cruz County, which includes the Pajaro Valley.

In the years since the price on water was imposed, growers of those crops either shifted to high-priced berries and lettuces, or simply left the region for cheaper pastures.

"There's a big public-policy argument for pricing groundwater," said Louis Preonas, an agricultural economist at the University of Maryland. "But if you were to try something like this across the country, it would mean farmers would shift away from growing crops like corn, or leave agriculture altogether. Any way you cut it, it would likely raise food prices. But the alternative is running out of water."



Decades ago, overpumping began imperiling Pajaro Valley farms. A strawberry field recently.

<u>A New York Times investigation</u> this year found that many of the aquifers that supply 90 percent of the nation's drinking-water systems are being severely depleted by a combination of climate change and overpumping by farmers, industrial users, cities and others.

For many of the nation's farming regions, the day of reckoning with the loss of groundwater is fast approaching. In the Pajaro Valley, it came 40 years ago.

With its loamy, sandy soil and cool nighttime breezes, the Monterey coast is an ideal climate for strawberries. But in the 1980s, disaster struck. Growers over pumped the coastal groundwater, allowing saltwater from the Pacific Ocean to seep in below their fields, up through the roots of the berry crop.

"You could see the yellow leaves, the discoloration, the stunted growth," recalled Dick Peixoto, whose family has farmed here since 1920.

Faced with an economic disaster, Mr. Peixoto and other growers formed a local water agency with two goals: preserve the groundwater and prevent the state from taking control.

The Pajaro Valley Water Management Agency, still locally run today, got to work. Its first project was installing meters to measure how much groundwater growers were using. In 1993, it started charging farmers a modest fee of \$30 per acre-foot to cover the cost of managing and reading the meters.



Dick Peixoto: "You could see the yellow leaves, the discoloration."



A well pipe capped years ago to stop saltwater intrusion.

The water agency hired hydrologists and other consultants, who concluded that the aquifer was severely overdrawn and could be lost entirely to saltwater. In response the agency built a \$6 million project to capture and divert excess rainwater from a creek near the ocean and pump it into a storage basin, where it percolates into underground wells and is eventually used for irrigation.

Next came a \$20 million water recycling plant, which cleans approximately five million gallons of sewage each day and sends it through a network of purple pipes to farm fields. The purple signals that the water inside is recycled.

Now the agency is building an \$80 million system to capture and store more rainwater to be used for irrigation. Some of the cost of the agency's projects has been covered by federal grants and loans, with the rest from the groundwater pricing system, said Brian Lockwood, who has been the general manager of the Pajaro Valley Water Management Agency for 18 years.

"These projects are millions of dollars, and without this source of revenue they could never come to be," he said.

As the ambitions of the water agency increased, so did the price of the water. It is scheduled to reach \$500 per acre-foot by 2025.

In the early years, farmers chafed under the rate increases. "The pricing was really difficult, when the water used to be, you know, free," said Thomas Broz, who has farmed about 75 acres in Pajaro since 1996.

Eventually, a group of growers challenged the water agency in court and were able to drive down the prices for a few years, and even forced the agency to refund about \$12 million to farmers between 2008 and 2011.



A new reservoir to capture rainwater.

But then, from 2012 to 2017, California was struck by its worst drought in recorded history, <u>parching farmland and devastating the rural economy</u>. Growers across the state, particularly in the Central Valley, <u>reached a deal with the state</u> to sharply restrict their water use and fallow their fields.

In the Pajaro Valley, water became more expensive, but at least it was still flowing. To save money many Pajaro farmers invested in precision irrigation technology to distribute carefully measured water exactly where it was needed. Gone were the days of sprinklers that drenched fields indiscriminately. In the midst of the drought, the then-governor of California, Jerry Brown, signed a law requiring every part of the state to devise a plan to conserve groundwater. Miles Reiter, then-chief executive of Driscoll's, spoke in support of the law.

Suddenly, Pajaro was a model.

"Now, we're seen as these pioneers who showed the way," said Mr. Lockwood. "We get calls from all over the state. How did you get this going? How do get the growers to agree to it?" He partly credits local control of the resources, saying, "This is better than the county or the state coming and taking control. And by now, this is something that's solid, it's been tried, it's survived lawsuits."

The last time the agency raised rates, in 2021, there was almost no resistance from growers, said Amy Newell, who chairs the Pajaro Valley Water Management Agency Board of Directors.



Brian Lockwood: "We're seen as these pioneers who showed the way."



The Pajaro Valley water treatment center.

Mr. Broz, who paid \$20,000 last year for water, said he has come around to accepting the system.

"The farmer has very little flexibility to build in the cost of water, so it means we have to price it into our product — it means we basically can't be as competitive," said Mr. Broz, who grows lettuces, berries, apples, and other vegetables. "But the pricing has allowed us to put in place the kind of measures that will help us have a sustainable system for the long term, if we want to keep the resource."

In the central California valley's Westlands water district, where many farmers fought the groundwater-management law, the board of directors will soon vote on a plan that would allow growers to pay for credits to use groundwater above a certain allocation. They could buy and sell the credits, starting at about \$200 a credit. A handful of other water districts in California are implementing similar measures.

Many farmers worry about the beginning of such a trend.

"The concern is that any kind of pricing scheme or market based mechanism that tries to manage or distribute this resource is likely to privilege a certain kind of producer — a multinational corporation — at the expense of small-scale independent farmers," said Jordan Treakle, program coordinator for the National Family Farm Coalition.

And in some parts of the country, pricing groundwater could spell an end to current crops altogether. For example, some experts said that could be the case for producers of <u>Texas</u> <u>cotton</u>, a commodity crop that relies almost entirely on groundwater from the depleting Ogallala aquifer.

Mr. Bjorn of Driscoll's said Americans should be ready to face just that outcome.

"We can't get away with producing something for which the resources do not exist," he said. "We would be fooling ourselves to keep growing low-value crops in places in the desert."

"Overcoming the hump of the politics is the hardest part," Mr. Bjorn said. "After that it's just managing the resource."

UNCHARTED WATERS

A series on the causes and consequences of disappearing water.

America Is Using Up Its Groundwater Like There's No Tomorrow

The New York Times California Today

January 8, 2024



By <u>Soumya Karlamangla</u>

California Today, Writer

It's Monday. Behind a program that charges farmers in the Pajaro Valley for groundwater. Plus, California and other states that rely on the dwindling Colorado River are racing to agree on consumption cuts.



A strawberry plant in California's "berry bowl" region, where farmers are billed for groundwater **use.** Nathan Weyland for The New York Times

California's Central Coast is an expensive place to grow food.

The Pajaro Valley, which stretches for 10 miles along the coast of Monterey Bay, charges farmers for irrigation water from wells, a system that's far different from elsewhere in the nation, where growers typically water their crops by freely pumping groundwater.

In Pajaro, farmers must pay for the precious resource through a system that creates an incentive to conserve water, and that also raises revenue that goes toward recycling water to use on crops. The system has reduced groundwater usage in the valley by 20 percent and could serve as a model for how to conserve water across the United States, <u>my colleague Coral Davenport recently reported</u>.

I spoke to Coral about her reporting, and why a system created in the Pajaro Valley in the early 1990s is worthy of attention in 2024. Here's our conversation, lightly edited.

Why are people looking to the Pajaro Valley right now?

The day of reckoning for America's groundwater is fast approaching. In many parts of the country where agriculture relies on groundwater for irrigation, the groundwater will soon run out, and <u>there aren't good policies</u> in place to conserve it. In the Pajaro Valley, that day came 40 years ago, when the groundwater levels fell so low that its famous strawberry crops were destroyed by saltwater intrusion. But the farmers there banded together and came up with a solution that isn't perfect and has cost a lot of money and legal battles, but in the long run has saved the aquifer and the agricultural economy of the region. So a lot of experts and executives say it could offer a road map to avert the coming crises elsewhere.

Why hasn't this model spread more?

Politics. The Pajaro Valley water management authorities don't call their water pricing program a tax, but it effectively functions like one. The politics of compelling American farmers to pay a tax on groundwater — a resource that has been free basically forever — are incredibly difficult. One thing I learned from reporting this story is that many farmers don't even want the government to put groundwater meters on their land just to measure the amount that they're using. Overcoming these deeply held political views is a huge challenge.

What consequences could charging for water in more places have on farmers and shoppers?

Experts said that pricing groundwater for agriculture across the country could profoundly change American agriculture. In some places, adding a charge for water would increase the cost of the crops and thus of the food or textiles produced by the crops — or it could cause farmers to change what they grow. In other cases, where groundwater is running low and the revenue for certain crops is not high, it could simply end the farming of major commodity crops across vast swaths of the nation — such as <u>cotton in Texas</u>, a commodity crop that relies on the dwindling waters of the Ogallala Aquifer for irrigation.

Did this story in any way change how you think about water and farming?

I was really impressed with how well this solution actually worked in the Pajaro Valley. I think a lot of it is specific to the conditions of the place, the people and the economy, but it gave me hope that there is a clear, demonstrable solution to this oncoming crisis, if people are willing to face it head-on.

Continue reading the main story

Taxing Groundwater Is a Sure Way to Preserve It

Farmers in California show that higher prices provide excellent motivation for conservation, but there are difficult trade-offs.

January 4, 2024 at 4:00 AM PST



By Mark Gongloff

Mark Gongloff is a Bloomberg Opinion editor and columnist covering climate change. He previously worked for Fortune.com, the Huffington Post and the Wall Street Journal.

Taxing water is an effective tool that's not receiving nearly enough thought.

Photographer: Frederic J. Brown/AFP/Getty Images

Without really meaning to, farmers in a small California valley have spent the past 30 years in an experiment to see what happens when the groundwater they pump to their crops is taxed. The results are in, and they are striking. They could point the way to preserving a precious resource under threat worldwide.

But the experiment also highlights the difficult trade-offs that preparing for a sustainable future on a heating planet will bring.

In the 1980s, strawberry farmers in the Pajaro Valley pumped so much groundwater that salt water from nearby Monterey Bay infiltrated their aquifers, spoiling their crops. In desperation, they formed the Pajaro Valley Water Management Agency, which started charging farmers for groundwater. That price has grown steadily over the decades to help pay for the capture of rainwater and recycling projects.

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A bedrock tenet of economics is that if you want people to consume less of something, you make them pay more for it. The Pajaro Valley strawberry farmers have proved anew the wisdom of this idea. Over a decade, a 21% increase in water prices led to a 22% reduction in water use, according to <u>a recent study</u> of the valley. Impacts seldom get more direct than that.

"It was great to see prices working so effectively to create conservation of groundwater in that region," Ellen Bruno, an assistant professor at the University of California at Berkeley and the lead researcher on the study, said in a phone interview.

Demand for water tends to be what econo-nerds call "price inelastic," at least in the short term. When you're dying of thirst, you'll pay pretty much anything for a drink. It's why you so often see price gouging on bottled water in the wake of hurricanes and other disasters.

But the Pajaro Valley experiment suggests water demand can become much more elastic over longer periods and with higher prices. Farmers are still buying it, but they are finding ways to use much less of it, partly by adopting better irrigation methods.

This is potentially great news when groundwater is disappearing across <u>California</u>, <u>the US</u> and <u>the world</u> as a result of overuse and droughts, which are becoming more frequent as the climate goes haywire. We're draining so much groundwater that California and other places are <u>sinking</u> and the planet's <u>axial</u> <u>tilt</u> has changed. If we can simply raise the price of water high enough, then maybe we can preserve it.

Alas, nothing is ever that simple. For one thing, nobody likes to pay taxes. Even the strawberry farmers who had recently experienced the near-death of their livelihood fought it, at least for a while. It took a severe drought and <u>a deal</u> with California's government to change their minds.

As Bloomberg Green <u>documented</u> in an <u>infuriating</u> series last year, Wall Street investors are contributing to the global groundwater crisis by <u>snatching up</u> water rights and <u>farmland</u> in a quest for <u>steady returns</u>. The strategy includes draining already thin water sources to bottle it for humans or pump it to thirsty crops such as almonds or alfalfa.

Taxing the water at the heart of these investments might change their calculus. But Wall Street probably has better lawyers than the Pajaro Valley farmers do, and it's hard to imagine them accepting groundwater taxes meekly. Or, on the other hand, they might just embrace higher water prices because that will help them squeeze out smaller farmers. Or, perhaps worse still, they'll just move their groundwater-sucking operations to jurisdictions where water is free.

Anyway, once you finally get people to agree to pay a tax, then you have to set that tax. And that job would be atomized across countless local authorities around the US and world. California <u>still hasn't fully</u> <u>implemented</u> a groundwater preservation law it passed a decade ago.

And an effective price for one region, or for one crop, might not be as effective for another, Bruno notes. But choose wisely! Set the price too low, and you may not accomplish much. Groundwater in the Coachella Valley — site of another experiment in water pricing — <u>was too cheap</u> to break farmers' habits, Bruno found in an earlier study. There, a 10% increase in prices led to just a roughly 2% reduction in water use.

Those strawberry farmers, on the other hand, pay a lot for water — currently more than \$400 per acrefoot (about as much water as it takes to flood an American football field with a foot of water). But berries are a luxury crop that can more easily pass on <u>higher costs</u> to consumers, the New York Times noted. Other crops fled Pajaro Valley looking for cheaper water. Chasing them with higher prices could cause more pain for farmers, shoppers and voters. But something has to give, and soon. Despite its many complications, pricing water is an effective tool that's not receiving nearly enough thought. As droughts become more frequent and arable land less common, humanity will struggle to maintain both cheap food *and* free water. A managed transition can be far more fair and less catastrophic than one forced on us.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.

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