

**SCOTTS VALLEY WATER DISTRICT
MINUTES OF THE
SANTA MARGARITA GROUNDWATER BASIN
ADVISORY COMMITTEE MEETING
MAY 24, 2007**

**SCOTTS VALLEY WATER DISTRICT
BOARD ROOM, 2 CIVIC CENTER DRIVE
SCOTTS VALLEY, CALIFORNIA**

1. CONVENE MEETING

Director Perri called the meeting to order at 7:00 p.m., and introduced himself as a Scotts Valley Water District (SVWD) Board Member and SVWD's designated representative to serve on the Santa Margarita Groundwater Basin Advisory Committee. Roll call of the SVWD Board of Directors was taken, with Directors David Hodgin, Ken Kannegaard, Bill Kassis, and Chris Perri present.

OTHER COMMITTEE MEMBERS ATTENDING: Mark Stone, Santa Cruz County; Cliff Barrett, City of Scotts Valley; Jim Rapoza and Fred McPherson, San Lorenzo Valley Water District (SLVWD).

OTHERS ATTENDING: John Ricker and Mike Cloud, Santa Cruz County; Rick Rogers and Betsy Herbert, SLVWD; Charles McNiesh and Colin Smith, SVWD; Pat McCormick, LAFCO; Mike Maley, Kennedy/Jenks Consultants.

2. APPROVAL OF MINUTES OF OCTOBER 26, 2006, MEETING

Charles McNiesh distributed copies of revised draft minutes, and advised that the one change from the draft minutes distributed in advance of the meeting was to correctly state tonight's meeting as "Thursday, May 24, 2007," not "Wednesday, May 24, 2007." Motion and second to approve revised draft minutes. Motion carried by voice vote without opposition.

3. ORAL COMMUNICATIONS: None.

4. AGENDA ITEMS

Item 4.1 Integrated Regional Water Management Proposition 50 Grant Projects;
 Conjunctive Use Feasibility Project

John Ricker reported that the North Santa Cruz County Integrated Regional Water Management (IRWM) proposal received a grant award of \$12.5 million dollars, half of what had been requested. The IRWM partner agencies are moving ahead to negotiate a grant contract with the State; the hope is to have contract by July or August. One project to be funded is a feasibility study to evaluate recharge options for the Santa

Margarita groundwater basin, possibly using one or more of the abandoned quarries in the area for a recharge basin.

Mike Cloud advised that the County has solicited a scope of work and budget for the proposed feasibility study from Kennedy/Jenks Consultants. Mike Maley added that the intent would be to look at all potential water sources, including recycled water, and a range of recharge approaches, including direct use of surface water to provide in lieu recharge.

In response to a question, Mr. Ricker explained that the lead agency for funding purposes is the Community Foundation of Santa Cruz County; the local 50% match requirement could include staff time going back two years to the date of passage of Proposition 50.

Ken Kannegaard mentioned that, given his employment with Cemex, he might be able to help facilitate quarry acquisition if and when needed.

Mr. Ricker added that about \$220,000 from the State is expected for this project. State staff will be coming in mid-June to tour the area and look at all proposed North Santa Cruz County IRWM projects. Another IRWM project of interest to this group is the abandoned well destruction project. Funding is also in the grant budget for preparing an updated and unified IRWM plan for the area.

Item 4.2 Proposition 50 Water Security Grant for Emergency Inter-ties

Mr. McNiesh reported that SVWD, with SLVWD and Lompico County Water District as co-applicants, had filed a Proposition 50 Water Security grant application in 2004 to help fund construction of emergency inter-ties in the Santa Margarita groundwater basin area. This grant application sought just over \$1 million with a 50% local match; the program maximum is \$10 million, again with a 50% local match. The original inter-tie application scored well, but not well enough to receive a grant award. The 3rd funding cycle under the Water Security chapter would be starting soon; there is virtually no chance of funding without modifying the original application; on the other hand, there is an opportunity to obtain a higher score by making relatively minor changes to the application.

Item 4.3 Recycled Water and Conservation Projects

Mr. McNiesh reported that SVWD is working to add recycled water customers. One likely addition is the Vineyards Home Owners Association, which still requires installation of a backflow device at each house for protecting the potable water system, a favorable vote of the homeowners, and approval of the proposed dual-plumbed system from the Department of Health Services. Another important potential project is recycled service to Pasatiempo Golf Course. The District has had several meetings with golf course representatives, who have expressed strong interest in the project. For there to be a benefit to SVWD, however, the project would need to entail an exchange with Santa Cruz City for a like amount of potable water. Mr. McNiesh showed an aerial photo map illustrating two different alignment alternatives for the proposed recycled service to Pasatiempo and potable inter-tie between Scotts Valley and Santa Cruz City. One of the alternatives would use the existing wastewater outfall pipeline in Graham Hill Road for the recycled deliveries to Pasatiempo. This alternative would save on

construction costs, but it would require treating all Scotts Valley wastewater to a tertiary level, including the fraction discharged through the outfall to Monterey Bay. The other alternative would provide new potable and recycled lines in La Madrona Road parallel to Highway 1.

Bill Kassis asked if Bethany University could get a recycled line going up to its campus since Bethany is one of the District's largest water users. Mr. McNiesh advised that just last year C2G Consultants had prioritized potential recycled customers; Bethany was not one of the most cost-effective opportunities due to the high cost of constructing a new service line to the campus.

Mr. McNiesh advised that SVWD has called upon its customers for 10% voluntary conservation savings this year. Mandatory conservation measures are a possibility next year, as the District's Urban Water Management Plan requires mandatory conservation measures in the second year of less than 60% rainfall.

Mr. McNiesh praised the student activity book "Our Water Works in Santa Cruz County" which was produced and funded by Santa Cruz County water agencies, and he provided a copy for committee members to review.

Betsy Herbert discussed the upcoming Smart Gardening Faire to be held at Skypark on June 23rd. SLVWD and SVWD helped fund the Smart Gardening Faire last year, when it proved a great success. This year SLVWD and SVWD will again provide funding for the Faire, and they will share an information booth along with Soquel Creek Water District. Ms. Herbert added that she has heard great reviews from teachers about the Santa Cruz County water activity books.

Cliff Barrett reported that there had been a joint SVWD and Scotts Valley City meeting on the City's proposed green building ordinance and water conservation opportunities; Scotts Valley's ordinance would likely follow the Santa Cruz City model fairly closely; additional ideas are welcome; the schedule is to have a Scotts Valley ordinance within a couple of months.

Mr. Kassis said he wanted to go on record as saying SVWD and Scotts Valley City must work very closely regarding availability of water.

Item 4.4 Climate Change and Water Resources

Fred McPherson reported regarding predictions of climate change and possible effects on availability of water. SLVWD is assembling information, exploring resources, and particularly interested in local effects in Santa Cruz County watersheds. Studies appear to indicate that droughts will be longer and storms will be heavier, with a need to plan for more extremes.

Ms. Herbert added AWWA had aired an informative webcast that she and Jim Mueller watched. The webcast included interviews with some of the larger water utilities in the US and Canada who have already considered how climate change will affect their water resources and showed how each utility is planning for extreme situations.

Mr. Maley related that a water agency in southern California has been received a legal challenge for not including climate change in its management plan.

Item 4.5 Basin Management Updates

Mr. McNiesh asked Colin Smith to report on the Well 10A project. Mr. Smith discussed the Well 10 casing failure last October, described the rehabilitation of Well 10 for limited pumping purposes, and provided detail on the construction of a new Well 10A adjacent to Well 10. Mr. Smith noted that test pumping at the new well would commence the following week.

Mr. McNiesh advised that SVWD had completed its groundwater management report for Water Year 2006 and would soon be issuing a Request for Proposal for consulting services for the preparation of next year's report.

Mr. Hodgins advised that the SVWD website is now much more accurate and useful.

Jim Rapoza advised that SLVWD is moving ahead with integrating Manana Woods into its system and discussed the status of the Cal Am Felton annexation.

Rick Rogers added that Manana Woods is still regulated under the County as an independent system; SLVWD is working to acquire easements for a Manana Woods inter-tie; water consumption is significantly reduced in new metered areas; volunteer water conservation information was mailed out to customers today; the District's Consumer Confidence Report will be going out the first of next week, with Manana Woods information included.

5. ADJOURNMENT

The meeting was adjourned by Director Perri at 8:50 p.m.

Respectfully submitted,

/s/ Charles McNiesh

Charles McNiesh
Acting Committee Secretary