



# County of Santa Cruz

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## Health Services Agency

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Giang T. Nguyen, Health Services Agency Director

**Meeting Date:** November 7, 2017  
**Date:** September 22, 2017  
**To:** The Board of Supervisors  
**From:** Giang T. Nguyen, Health Services Agency Director  
**Subject:** Actions to Support Cooperative Groundwater Management

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The Health Services Agency (HSA) is requesting that your Board take four actions which support participation of the County of Santa Cruz (County) in two local groundwater management agencies. For the Santa Cruz Mid County Groundwater Agency (MGA), HSA requests that your Board: 1) authorize expenditure of an annual cost share contribution to the MGA; and 2) adopt a resolution to apply for and receive State grant funds for a groundwater recharge pilot project. For the Santa Margarita Groundwater Agency (SMGWA), HSA requests that your Board: 3) authorize expenditure of an annual cost share contribution to the SMGWA; and 4) authorize HSA to enter into a Memorandum of Agreement (MOA) that provides collaboration for conjunctive use water supply planning for the Santa Margarita Basin and the San Lorenzo River Watershed.

### **Santa Cruz Mid-County Groundwater Agency (MGA)**

- 1) Annual cost share: On February 23, 2016, your Board approved a Joint Powers Agreement with the City of Santa Cruz, Soquel Creek Water District, and Central Water District to form the Santa Cruz Mid-County Groundwater Agency (MGA), pursuant to the California Sustainable Groundwater Management Act of 2014 (SGMA). The MGA Board meets on a bimonthly basis and has embarked on a number of technical and outreach efforts to develop a Groundwater Sustainability Plan (GSP) for that basin by January 2020. Once the GSP is developed, the costs of managing the basin will be allocated to its water users in proportion to their impact on the basin's overdraft. Until that time, the costs of developing the GSP are split among the member agencies according to proportions established in the annual budget adopted by the MGA Board. The County's cost share is 10%, and HSA is requesting that your Board approve the County's contribution of \$60,000 for FY 2017-18. On August 16, 2016, your Board approved the previous fiscal year's cost share. Funds are available in HSA's budget of the Flood Control and Water Conservation District, Zone 4 (Zone 4), as approved by your Board for FY 2017-18, and no new General funds are needed nor requested. MGA staffing

is provided by agency staff, consultants, and dedicated staff provided under contract with the Regional Water Management Foundation.

Resolution to apply for grant funds: An important component of Mid-County groundwater management is investigation and implementation of storm water infiltration projects as one of many tools in a long-term groundwater replenishment strategy. HSA, in partnership with Soquel Creek Water District, is pursuing a pilot project to investigate use of 'DualEM' geophysical technology for geological mapping. The DualEM method uses an electromagnetic sensor carried manually or on a vehicle, to map the underlying geology of an area to an approximate depth of 30 feet. The device measures the suitability of aquifers for recharge without having to conduct more costly testing through such means as soil borings and percolation tests. HSA and Soquel Creek Water District have solicited grant funding up to \$49,000 from the California Department of Water Resources (DWR), administered by the State Water Resources Control Board (SWRCB), for a pilot project to apply DualEM technology to exploration of suitable aquifer boundaries for potential groundwater recharge projects. The funds will augment a \$249,000 grant to HSA from DWR, as approved by your Board on August 16, 2016. Ultimately, the pilot will result in selection and preliminary design of up to eight groundwater recharge projects, primarily in the Mid-County Basin. HSA is requesting that your Board adopt a resolution authorizing HSA to apply for and execute a grant agreement with SWRCB to fund this effort (Attachment A). The \$49,000 is planned to be applied to up to \$14,000 for project administration, and to a \$35,000 purchase order for professional services with Ramboll, a leading international engineering company. The Purchase order includes a sole source justification for Ramboll who is a unique service provider of DualEM technology.

### **Santa Margarita Groundwater Agency (SMGWA)**

- 2) Annual cost share: On May 23, 2017, your Board approved a joint powers agreement with the Scotts Valley and San Lorenzo Valley Water Districts that formed the Santa Margarita Groundwater Agency (SMGWA). The SMGWA Board has met twice and is proceeding to develop a GSP for the Santa Margarita Basin by 2022, as required by SGMA for basins that are designated as being in critical overdraft. Costs for GSP development are divided among the SMGWA member agencies. The County's cost share is 8%, and HSA is requesting your Board approval of the County's contribution of \$30,000 for FY 2017-18. On August 16, 2016, your Board approved the previous fiscal year's cost share. Funds are available in HSA's Zone 4 budget, as approved by your Board for FY 2017-18, and no new General funds are needed nor requested.

Memorandum of Agreement (MOA) for conjunctive water supply planning: In 2016, HSA continued discussions with the City of Santa Cruz Water Department (City), and the Scotts Valley and San Lorenzo Valley Water Districts, to plan exploration of regional opportunities for collaborative development of water supplies. The agencies agreed to continue to partner to evaluate potential joint projects that would increase resiliency, redundancy, and diversification of regional water supply options to restore groundwater levels and streamflow

shared within the Santa Margarita Basin and the San Lorenzo Watershed. HSA is requesting your Board's authorization for HSA to enter into an MOA for this collaboration (Attachment B).

The MOA provides for the parties to "jointly fund and collaboratively implement a work plan to explore opportunities to develop and implement one or more projects to improve the conjunctive use of surface and groundwater resources in the Santa Margarita Groundwater Basin while also improving the sustainability of groundwater resources and reliability and resiliency of the water supplies serving customers of the three water utilities." The MOA describes activities currently underway and questions that will be addressed. The MOA will terminate at the completion of the work outlined. If the MOA's member agencies decide to pursue implementation of any project or program as a result of this effort, then separate agreement(s) would be developed for subsequent approval. This MOA involves no fiscal impact to the County, as HSA's contribution is staff time and efforts that are funded by HSA's 2016 grant from DWR. Additional work of the SMGWA is currently underway to apply for a State grant that would fund up to 50% of the cost for developing the Basin's GSP over the next several years.

HSA is pleased to present your Board with this update of recent advents in programming that support cooperative management of the County's Mid-County and Santa Margarita groundwater basins. HSA asks that your Board consider the four actions that support the County's participation in the groundwater management of the basins by authorizing annual cost share payments to the two groundwater management agencies, and adopting a resolution and an MOA for programs providing water supply planning for the two basins.

It is, therefore, RECOMMENDED that your Board:

1. Authorize an expenditure of \$60,000 to the Mid-County Groundwater Agency as the Health Services Agency's annual cost share for fiscal year (FY) 2017-18;
2. Adopt a resolution authorizing the Health Services Agency to apply for and execute a grant of up to \$49,000 from the State Water Resources Control Board for a pilot project to conduct geophysical mapping;
3. Authorize an expenditure of \$30,000 to the Santa Margarita Groundwater Agency as the Health Services Agency's annual cost share for FY 2017-18; and
4. Authorize the Health Services Agency to execute a Memorandum of Agreement with the City Of Santa Cruz, the San Lorenzo Valley Water District, and the Scotts Valley Water District, that provides collaboration for conjunctive use water supply planning for the Santa Margarita Basin and for the San Lorenzo River Watershed.

**Submitted by:**



Michael Beaton, Director of Administration 10/26/2017

**Recommended:**

Carlos J. Palacios, County Administrative Officer

**Attachments:**

- a Resolution SWRCB grant (Attachment A)
- b Memorandum of Agreement (Attachment B)