MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 6.3 Status Report on the Back-Up Options Evaluation

Soquel Creek Water District has been evaluating a proposed joint scwd² Regional Seawater Desalination Project with the City of Santa Cruz since 2007. In August 2013, the City of Santa Cruz stepped back to get more community input on their water shortage issues. While the District has recognized that the scwd² desalination project has cost-sharing potential and over six years of evaluation has been invested, back-up options need to be identified should the regional desalination project no longer be considered. This memorandum shall serve as a status report of the District’s exploration of back-up options.

Background
To date, the following meetings and presentations have occurred:

- September 17, 2013 Board Meeting: Workshop focused on water supply planning goals and objectives, what’s “changed” since the 2012 Integrated Resources Plan Update was approved, previous and new alternatives to consider, and screening criteria to use for subsequent alternatives analyses and evaluation.

- October 16, 2013 Board Meeting: Focus on desalination options that included a presentation by representatives from Deep Water Desal on the Moss Landing proposed project and a presentation by District staff on a District-Only desalination project.

- November 5, 2013 Board Meeting: Focus on surface water options that included presentations by Jerry Paul and Bill Smallman (both local citizens engaged in water supply alternatives), and an update presentation by John Ricker on the surface water exchange report. Surface water attorney Peter Kiel and Lisa McCann (Regional Water Board’s water rights liaison) both teleconferenced in.

- January 7, 2014 Board Meeting: Focus on reducing water demands with mandatory water rationing. This option is not a supplemental water supply option but rather a demand reduction alternative should a supplemental supply not be secured. Staff presented a phased approach to water rationing
that would allow the District to accelerate water savings while it continues evaluation and pursuit of a supplemental supply.

- **February 4, 2014 Board Meeting:** Focus on recycled water options that included presentations by Dave Smith (Managing Director of WateReuse Association), Mark Dettle (Public Works Director for the City of Santa Cruz), Todd Reynolds (Kennedy/Jenks Technical Advisor), and Bill Smallman (local citizen and engineer). The alternatives discussed included recycled water for irrigation, seawater barrier, and potable reuse (directly as well as for groundwater replenishment). This meeting also included an overview of the proposed evaluation criteria and scorecard approach for assessing alternatives.

- **March 4, 2014 Board Meeting:** Focus on groundwater rights and management framework. Presentations were given Russell McGlothlin (attorney with Brownstein Hyatt Farber Schreck), John Ricker (SC County Water Resources Division Director) and staff. While this meeting did not go into groundwater options per se, but rather gave an overview of groundwater law in California, the County’s role and responsibilities with non-municipal pumping, and the District’s current and future groundwater management activities. There was also discussion on establishing a Groundwater Replenishment District and/or having the functions be part of the existing Joint Exercise of Powers Agreement (JPA) AB3030 framework, peer review of the District’s hydrological analyses, and declaration of a groundwater emergency.

Remaining exploratory discussions include:

- **April 1, 2014 Board Meeting:** Staff will return to present a ‘Water Use Reduction Program’ (previously referred to a Phase 1) aimed at achieving a 500 acre-feet per year water savings within two years.

- **June 3, 2014 Board Meeting:** Staff to present a memo to the Board of the options identified for further discussion during this process in a narrative format using common criteria (such as water supply availability and quality; supply impact, reliability, and flexibility; environmental and permitting considerations; legal and implementation considerations; customer stakeholder acceptability and benefit; financial and funding considerations; and project costs). The board has also asked that “fatal flaws” or potential downfalls be identified, how/if they can could be overcome, and the likelihood of which options could move forward in a timely manner. It is anticipated
that the alternatives analysis, shortlisting, and selection of options to further consider could be done at a subsequent Board meeting/workshop.

**Options Identified Thus Far to further Consider**
The options identified, thus far include Deep Water Desal, In-District desalination, surface water exchange, mandatory water rationing, seawater intrusion barrier + irrigation water, and groundwater replenishment + irrigation water.

**POSSIBLE BOARD ACTION**

1. By MOTION, approve the presented list of options identified through the exploratory discussions to include in the staff memo that will be brought to the Board on June 3, 2014.

2. By MOTION, set the meeting date for the workshop to conduct the alternatives based analysis.

3. No action taken.

By ______________________________
Kim Adamson
General Manager