



County of Santa Cruz

519

PLANNING DEPARTMENT

701 OCEAN STREET, 4th FLOOR, SANTA CRUZ, CA 96060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

ALVIN D. JAMES, DIRECTOR

June 2, 1999

AGENDA: June 15, 1999

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

WATER RESOURCES MANAGEMENT

Members of the Board:

On April 20, 1999, your Board accepted a status report on the County's water resources management efforts and directed that a further report be presented on this date. Additional direction was given to provide an update on environmental review guidelines related to water wells and report upon the progress of the Interagency Water Resources Working Group. This report is intended to respond to your Board's directive. It also includes a progress report on the Santa Margarita Groundwater Basin Advisory Committee. Status reports on Pajaro Valley Water Management Agency and Soquel Creek Water District issues are not included in this report. They are scheduled come to your Board as separate items on today's agenda. Your Board should note that an offer of employment has been extended on the new Resource Planner III position. Acceptance of the offer by the selected candidate completes the filling of new positions previously authorized by your Board. It should be further noted that efforts are underway to increase coordination on water resource related matters within the departments of Environmental Health, Planning, and Public Works.

Interagency Water Resources Working Group

The Interagency Water Resources Working Group has been meeting monthly since approximately June 1998. One major accomplishment of the working group has been the consensus paper on Water Resource Management in Santa Cruz County. The consensus document includes Goals, Objectives, and Strategies, and an Issues Fact Sheet for each of the four principle planning areas in the County. The paper was accepted by your Board on January 26, 1999. The January and February meetings of the working group were either canceled or postponed because of extended timelines associated with hiring the Water Resources Manager. With the Water Resources Manager now in place the regular meeting schedule has resumed and attendance has been better. Managers from the larger water districts are typically present.

A sub-committee of the working group formed to focus on countywide opportunities to cooperate on

61

water conservation. The sub-committee is comprised of representatives from the water departments of the City of Santa Cruz and the City of Watsonville, the San Lorenzo Valley Water District, the Soquel Creek Water District, the Pajaro Valley Water Management Agency. They met once in May and scheduled a subsequent meeting in early June. It is premature to report any progress.

April and May meetings of the working group attempted to focus discussion on regional water supply planning and upon potential near-term and long-term collaborative efforts regarding water management activities. The May meeting began with expressions of deliberate reservation regarding moving too quickly in this area based upon your Board's April 20, 1999 discussion regarding the potential declaration of a groundwater emergency in the Pajaro Valley. Group members did affirm support for continual meetings and dialogue, especially on regional water supply planning.

The water managers agree that augmenting groundwater recharge to enhance groundwater storage in the Santa Margarita groundwater basin is one solution with potential regional water supply benefits. This concept is typically referred to as "aquifer storage and retrieval". To help explore this effort, the City of Santa Cruz Water Manager attended the May meeting of the Santa Margarita Groundwater Basin Advisory Committee. The Pajaro Valley groundwater basin was also acknowledged as a location where greater cooperation on aquifer storage and retrieval could be undertaken. The working group will not be meeting in June because of budget hearings but will meet again in July.

The City of Santa Cruz, the San Lorenzo Valley Water District and the County are cooperating on watershed management issues including erosion control, and funding a report entitled, "Comparisons of Juvenile Steelhead Densities, Population Estimates and Habitat Conditions for the San Lorenzo River, Santa Cruz County, California, 1994-98; with Predicted Adult Returns". The report has just recently been completed. The findings of the report have not yet been analyzed to evaluate the implications, if any, to County water resource policies or programs.

Santa Margarita Groundwater Basin Advisory Committee

The Santa Margarita Groundwater Basin Advisory Committee has been meeting bimonthly since June 1998. January and May 1999 meetings focused primarily on discussing augmenting natural recharge and inventorying private wells in the Pasatiempo sub-area. The March meeting of the Advisory committee was canceled, however, your Board approved the "Agreement Between the County of Santa Cruz and Bay Area Shared Information Consortium (BASIC) Regarding the Identification of Potential Groundwater Recharge Areas For the Santa Margarita Groundwater Basin" at your meeting on March 23, 1999. May's Advisory committee meeting was also notable for preliminary discussion of a proposed reservoir in a mining pit at Olympia Quarry which is generating considerable regional interest. Additional discussion of the Olympia Quarry proposal will continue at a study session to be scheduled in September.

Board members may recall that the Advisory Committee was formed in June 1995. Since its inception, agreements have been made between representatives of the member agencies to share monitoring data and updated files or improvements to the groundwater model. A Resolution Of Support For Comprehensive Water Supply Planning Efforts In The Pasatiempo Sub-Unit Of The Santa Margarita Groundwater Basin was accepted early in 1998. County efforts to promote joint funding of a regional water supply study in the Santa Margarita Groundwater Basin were rejected in June 1998. All member agencies did, however, state support for efforts to augment groundwater recharge, hence the County's Agreement with BASIC. The Committee functions mostly as a clearinghouse for information.

No real cooperative regional efforts have come forward in the Committee's existence with the exception of support for the County's Agreement with BASIC. The completion of the tertiary wastewater reclamation plant in Scotts Valley will present further opportunity for the County and others to collaborate with the City of Scotts Valley and the Scotts Valley Water District. Efforts of the member agencies to either evaluate or increase water supplies continue to be singular in effort in a small, common groundwater basin in need of regional management for water supply and water quality protection.

One other item is worth bringing to your Board's attention as it relates to the need for supporting greater regional management of the groundwater basin. The Manana Woods Mutual Water Company (MWMWC) well has become almost unusable primarily because of filtering expenses associated with treating contaminated groundwater. The MWMWC has also experienced significant declines in groundwater levels which may in part be a reason why contaminated groundwater has moved into the capture area of their well and into their water distribution system. MWMWC received a letter from County Environmental Health Services in March recommending that the MWMWC search for an alternate source of supply.

A letter dated May 22, 1999 from the MWMWC to Supervisor Almquist and a May 27, 1999 response letter from Supervisor Almquist are included as Attachment 1 to this report. These letters are referenced to support further discussion by your Board of the need for better regional management of groundwater resources in the Santa Margarita groundwater basin. Unanswered questions about the sustainability of groundwater resources in the Pasatiempo sub-area and elsewhere in the basin continue to require an expansion of management efforts. The MWMWC is one example; addressing water needs in the Mt. Hermon area is another. The implementation of water quality protection programs and policies has not yet been attempted at the Santa Margarita Groundwater Basin Advisory Committee. County staff can work in the unincorporated areas but more could be accomplished with greater regional cooperation from other member agencies. County staff plans to address these challenges in the future.

Environmental Review Guidelines for Well Permits

The Santa Cruz County Well Ordinance (Section 7.70.030) currently specifies that all well permit applications must be consistent with Chapter 16 of the Santa Cruz County Code. Chapter 16.01 requires compliance with the California Environmental Quality Act (CEQA). For projects that are not exempt from environmental review, consideration must be given to the potential environmental impacts of permit issuance, including well construction and groundwater extraction resulting from the well construction. Permit approval may include requirements for mitigation measures necessary to reduce impacts to an insignificant level.

Environmental review guidelines for well permits were developed several years ago by the Environmental Health staff in consultation with the County Environmental Coordinator. Well permits are currently exempt from further environmental review if they meet one of the following criteria:

1. The well serves two or fewer single family dwellings (or a comparable water use); or
2. The well serves a larger use, including agriculture or industry, but it is a supplemental or replacement well that will not result in an increase water usage or increase in the intensity of land use, and which draws water from the same aquifer used by the existing well (s).

If a well permit is not exempt, it is subject to preparation of an initial study for **further** evaluation of potential environmental impacts. This is done in conjunction with the Planning Department for a fee of \$400-900 and will take 2-6 months (depending on the scope of the project). If significant unmitigated

impacts are identified in the initial study, a full environmental impact report could be required. If the impacts are still found to be significant, a well permit can only be approved if the issuing authority adopts a statement of overriding consideration.

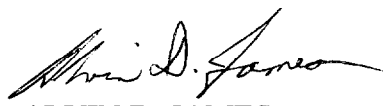
During the past year Environmental Health received 87 applications for water supply well permits in the unincorporated area. Of this total, 57 applications were for new wells, 18 were for replacement of existing wells, and 12 were for supplemental wells on parcels where another well was already in use. Within the Pajaro groundwater basin, which has more than 1000 active wells, a total of 20 well permit applications were received during the past year: 12 new, 7 replacement and 1 supplemental. Generally 5-10 applications per year are received for supplemental or replacement agricultural wells in the Pajaro basin. During the past year all of the well permit applications were deemed exempt from CEQA, except for one agricultural replacement well, which was issued a negative declaration **after** preparation of an initial study. Several other agricultural replacement permit proposals were modified to stay in the same aquifer as the existing well in order to be deemed exempt from further environmental review.

Given the relatively small proportion of annual well permits relative to overall numbers of existing wells, the manner in which CEQA review is handled for individual well permits may have limited effect on groundwater management, but could have very large effect on a small number of individual well owners. The Farm Bureau and the Pajaro Valley Water Management Agency have expressed concerns regarding whether the County can legally regulate well water extraction and use through environmental review of well permits without conflicting with water law. A particular concern has focused on administrative guidelines for determining whether a permit for a replacement or supplemental well is exempt from CEQA review. There is concern that the current guidelines could jeopardize a grower's ability to maintain an ongoing agricultural use by delaying or limiting well construction through a timely and expensive environmental review process that would ultimately provide little improvement of the groundwater resource.

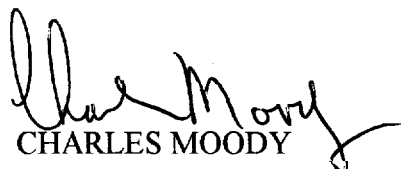
Staff from Planning, Environmental Health and County Counsel's Office are now reviewing the County's guidelines for environmental review of well permits in light of changes in State CEQA guidelines, recent directions in County water resources management, and information and analysis developed through the recent environmental review process of a permit for an agricultural replacement well. Several possibilities are under consideration to utilize the environmental review guidelines to ensure implementation of meaningful water conservation measures, without creating other, unnecessary burdens on existing water users. These concepts are still under discussion and are being reviewed by the County's special counsel for water law. We hope to finalize this review and promulgate revisions of the guidelines in the next several months. Under the promulgation process, a proposed copy is transmitted to the Board under written correspondence.

It is therefore **RECOMMENDED** that your Board accept and file this report and direct the Planning Department in consultation with Environmental Health Services and the County Administrative Office to report back on September 28, 1999.

Sincerely,

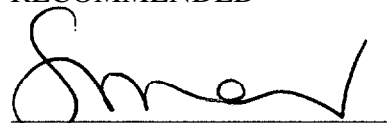


ALVIN D. JAMES
Planning Director



CHARLES MOODY
HSA Administrator

RECOMMENDED



SUSAN A. MAURIELLO
County Administrative Officer

Blc/WRM99-07

cc: Interagency Water Resources Working Group
Santa Margarita Groundwater Basin Advisory Committee
Manana Woods Mutual Water Company

Attachments

May 22, 1999

Jeff Almquist, Chairman
Santa Cruz County Board of Supervisors
701 Ocean Street
Santa Cruz, CA 95060

Dear Chairman Almquist:

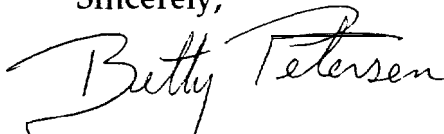
Manana Woods Mutual Water Company (MWMWC) recently received the March 17, 1999 Technical Report on MWMWC, prepared by Brian Hathaway of the County Health Services Agency. The report included a recommendation that MWMWC search for an alternate source of supply. Referring to MWMWC well site, Mr. Hathaway wrote "unless there is a major change in the groundwater basin management practices, an increase in the level of contamination and a steady decrease in the availability of water supplies seems likely." (please see attached sheet)

For at least ten years, MWMWC has been advocating for management changes in the Santa Margarita. Management changes have not been made and the situation in the aquifer has worsened.

As County residents and constituents of the 5th District, we request this critical item be placed upon the Board of Supervisors' agenda at the earliest possible date for discussion by the Board.

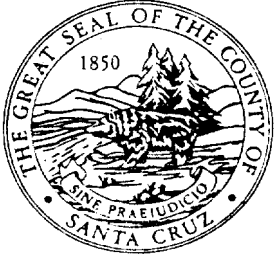
Thank you for your consideration.

Sincerely,



Betty Petersen
Representative for M WM WC

enc: letter to Scotts Valley Water District



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069

(831) 454-2200 FAX: (831) 454-3262 TDD: (831) 454-2123

JANET K. BEAUTZ
FIRST DISTRICT

WALTER J. SYMONS
SECOND DISTRICT

MARDI WORMHOUDT
THIRD DISTRICT

TONY CAMPOS
FOURTH DISTRICT

JEFF ALMQUIST
FIFTH DISTRICT

May 27, 1999

Betty Petersen
Mañana Woods Mutual Water
Company
107 Elena Drive
Scotts Valley, CA 95066

RE: MARCH 17, 1999, TECHNICAL REPORT

Dear Betty:

Thank you for writing to me regarding your concerns about the technical report on the Mañana Woods Mutual Water Company prepared by Brian Hathaway. I certainly share your concerns.

I hope that you will talk to your attorneys about whether your settlement agreement recovery would include the cost of obtaining another water source, whether that means a new well, or a hook-up to an existing system. If your well must be abandoned because of contamination, it would seem to me that the polluter should pay that cost.

As you know, we agreed to agendize this item for further discussion by the Santa Margarita Aquifer Advisory Committee at last night's meeting. I will also ask that Mr. LaClergue, as the County Water Policy Planner, make specific reference to this problem in the next of his periodic reports to the Board of Supervisors regarding water monitoring issues around the County. That staff report and discussion would provide you with an opportunity to make any presentation to the Board of Supervisors that you feel is appropriate. I will let you know when that is agendized. Mr. LaClergue has been making these types of reports every few months this year, so it should be relatively soon.

Sincerely,

JEFF ALMQUIST, Supervisor
Fifth District

JA:lg

cc: Bruce LaClergue, Planning

1487B5