STATE OF CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF November 19-20, 2015 Prepared on October 22, 2015

 ITEM NUMBER:
 6

 Drought Conditions Update by Regional Liaison to Water Rights Division

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KEY INFORMATION:

Location: Region-Wide Type of Activities: Permitting, Interagency Coordination, Technical Assistance, Grant and Loan Funding, Stakeholder Involvement

THIS ACTION: Board Discussion/Information/Direction

DISCUSSION

Staff continues to track and facilitate drought assistance and water supply improvement in critical areas. See the specific area information in the subsequent section of this report.

State-wide Drought Information and Activities

State Water Board Drought Updates

Conservation

In August, conservation efforts have dipped slightly, statewide, since June. However, all regions' water suppliers saved more in August 2015 than in August 2014. The Central Coast Region water suppliers saved almost twice as much water in August 2015 (28.2%) compared to August 2014 (15.2%). This remains above the statewide average of 25% called for by the Governor's Executive Order B-29-15, April 1, 2015. In addition, suppliers in the Central Coast Region used a monthly average of 76.9 residential gallons per capita per day (R-GPCD), slightly higher than the North Coast and San Francisco Bay Regions and well below the Colorado River Region which averaged the highest monthly average, 168.7 R-GPCD. The table below shows water conservation information by supplier (From:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/docs/rgpcd_2015aug.pdf).

Supplier Name	Hydrologic Region	Cumulative Savings (June 2015 - August 2015)*		Monthly Savings (August 2015)		
		Conservat ion Standard	Cumulative Percent Saved (as compared to August 2013)	Monthly Percent Saved (as compared to August 2013)	Estimated Monthly R-GPCD	Total Population Served
Santa Cruz City of	Central Coast	8%	30.7%	29.2%	41.4	95,224
California Water Service Company King City	Central Coast	12%	21.9%	12.3%	53.1	14,802
Lompoc City of	Central Coast	12%	27.6%	31.9%	53.9	41,541
Goleta Water District	Central Coast	12%	28.8%	21.8%	56.2	86,946
San Luis Obispo City of	Central Coast	12%	23.7%	24.5%	56.9	45,802
Soquel Creek Water District	Central Coast	8%	32.8%	30.9%	60.5	39,051
Morro Bay City of	Central Coast	12%	18.5%	19.6%	64.2	10,234
California-American Water Company Monterey District	Central Coast	8%	17.4%	15.7%	66.4	100,623
California Water Service Company Salinas District	Central Coast	16%	28.6%	27.6%	67.2	121,555
Marina Coast Water District	Central Coast	12%	33.2%	32.4%	67.4	32,375
Santa Barbara City of	Central Coast	12%	37.5%	35.8%	67.6	93,091
Grover Beach City of	Central Coast	8%	28.2%	1.3%	74.3	13,156
Watsonville City of	Central Coast	20%	17.4%	17.3%	76.0	65,739
Scotts Valley Water District	Central Coast	16%	29.4%	29.6%	76.8	10,509
San Lorenzo Valley Water District	Central Coast	12%	28.9%	23.9%	78.8	19,000
Hollister City of	Central Coast	20%	26.1%	19.0%	86.8	20,541
Carpinteria Valley Water District	Central Coast	20%	33.9%	31.7%	87.4	14,616
Santa Maria City of	Central Coast	16%	18.5%	15.9%	88.9	102,087
Gilroy City of	Central Coast	24%	33.6%	32.1%	91.0	53,235
Morgan Hill City of	Central Coast	28%	40.1%	42.5%	95.2	41,779
Arroyo Grande City of	Central Coast	28%	36.7%	36.0%	97.1	17,121
Soledad, City of	Central Coast	24%	21.5%	18.2%	98.0	16,729
Pismo Beach City of	Central Coast	24%	26.5%	25.5%	101.0	7,861
Sunnyslope County Water District	Central Coast	28%	36.6%	31.8%	103.7	19,189
Paso Robles City of	Central Coast	28%	34.1%	34.7%	105.5	30,450
Alco Water Service	Central Coast	24%	21.7%	18.7%	109.2	29,179
Atascadero Mutual Water Company	Central Coast	28%	34.7%	31.9%	117.2	31,379
Nipomo Community Services District	Central Coast	28%	34.6%	34.1%	126.1	12,512
Golden State Water Company Orcutt	Central Coast	32%	40.4%	41.2%	131.9	31,872
Montecito Water District	Central Coast	32%	46.6%	40.7%	203.2	13,500
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August 2015 Water Conservation Report by Supplier (by hydro region, then R-GPCD) 406 suppliers reporting for August; non-filers on page 15

Sustainable Groundwater Management Act (SGMA)

The Governor signed SB 13 which modifies select sections of SGMA. The modifications can be viewed here:

http://www.waterboards.ca.gov/water_issues/programs/gmp/docs/sgma/sb13_strikethrough_09_0315.pdf.

Department of Water Resources (DWR) is implementing the Sustainable Groundwater Management Act in coordination with the State Water Board. Most recently, the DWR:

- Released public notice for a series of informational meetings to discuss implementation
 of the act and to answer questions from the public. The meetings were scheduled for
 October 21, 22, 27 and November 5 in various locations. The meeting on October 27th
 was available via webcast.
- Released report on setting effective and measurable groundwater objectives.
- Released a guide to Groundwater Sustainability Agency formation and Groundwater Sustainability Plan coordination.
- Proposed (submitted to Office of Administrative Law and provided public notice) emergency rulemaking action under the Administrative Procedure Act to adopt regulations that establish a process by which local agencies may seek groundwater basin boundary modifications through the Department. Specifically, these emergency regulations specify information required to support a boundary modification request as

well as establish the methodology and criteria that the Department will use to evaluate proposed revisions to groundwater basin boundaries. The specific language of the Department's proposed emergency regulations and Finding of Emergency are attached and are also posted on the Department's website at:

http://www.water.ca.gov/groundwater/sgm/basin_boundaries.cfm

Information and a link to an email list to keep up to date on State Water Board groundwater management activities can be found here:

http://www.waterboards.ca.gov/water_issues/programs/gmp/index.shtml

Funding

The State Water Board continues to roll out and develop funding programs for the variety of Proposition 1 Funds now or soon to be available. The process is dynamic and many of the eligibility and technical criteria for funding overlap between funding programs. State Water Board Division of Financial Assistance (DFA), who administers Proposition 1 funds, is encouraging project proponents to apply for funding even if they are unsure which funding program or account is the best match and then let DFA facilitate determination of the best matches between projects and funding programs. Regional Water Board staff and stakeholders continue to assess opportunities for project proponents and best matches between funding opportunities and projects (including distributing a letter to stakeholders throughout the region explaining funding opportunities and programs and encouraging project applications); Regional Water Boards have limited opportunities or direct input into guidelines and distribution of funds.

DFA is administering a portion of Proposition 1 funds via the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF) to allow grant funds to be easily leveraged with low-interest financing available through the SRF Program. To facilitate distribution of funds, the State Water Board created the Office of Sustainable Water Solutions, within DFA to administer technical assistance, drinking water, and wastewater funds for small communities.

DFA, in coordination with the Division of Drinking Water (DDW), is responsible for providing funding through the DWSRF to correct public water system deficiencies based upon a prioritized funding approach that addresses the systems' problems that pose public health risks, systems with needs for funding to comply with requirements of the Safe Drinking Water Act, and systems most in need on a per household affordability basis.

Additional information on the Proposition 1 funding programs can be found at: <u>http://www.swrcb.ca.gov/water_issues/programs/grants_loans/proposition1.shtml</u>

The following entities/projects in the Central Coast Region are on the State's Comprehensive List to be considered for DWSRF Loans:

- Forest Springs (Santa Cruz Mountains)/ Water Upgrade
- Bella Vista Mobile Lodge (Cayucos)/ Well Arsenic Treatment
- City of Santa Barbara/ Desalination Plant Reactivation

DDW is also providing funding through the Public Water System Drought Emergency Response (PWSDER) Program. This program provides assistance to community water systems or public water systems owned by a public school district experiencing drought related drinking water emergencies. Additional information can be found at:

http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/drought/PWSDE R%20Final%20Drought%20Fact%20Sheet%20SWRCB.pdf DDW is providing technical assistance to at-risk drinking water systems and working with them to identify potential solutions and funding sources (Drinking Water Drought Funding). DDW also works with state and federal partners to identify additional resources that may be available. The following entities in the Central Coast Region have received drought related funding and support:

Santa Clara County

- Lake Canyon MWC,
- Chemeketa Park MWC
- Aldercroft Heights CWD Santa Cruz County
 - Summit MWC

Lompico County WD
Monterey County

Arrovo Center WC

San Benito County

Los Madrones MWC

- San Luis Obispo County
 - Cambria CSD

Santa Barbara County

- Goleta WD
- Montecito WD
- Santa Barbara WD
- Carpinteria Valley WD

The State List of entities that have applied for and/or received Drinking Water Drought Funding can be reviewed at:

http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/drought/funding_map.pdf

DFA is providing funding for interim emergency drinking water needs for those communities with a contaminated water supply or suffering from drought related water outages or threatened emergencies. In an effort to distribute these funds from the Clean Up and Abatement Account as quickly and efficiently as possible, DFA is coordinating with the Regional Water Quality Control Boards, DDW district offices, the Office of Emergency Services, DWR, and other stakeholders (e.g., environmental justice groups, community assistance groups) to identify those communities that are most at risk and require financial assistance. In the Central Coast Region the following entities/projects have been funded through this program:

- Environmental Justice Coalition for Water/ Springfield Terrace, Moss Landing and Pajaro areas Community Outreach and Technical Assistance
- Oceano/ Well #5 Rehabilitation

Specific information on these funds can be found at: <u>http://www.waterboards.ca.gov/water_issues/programs/grants_loans/caa/dw_droughtfund/</u>

DFA is distributing funds to finance water recycling projects throughout the state. Recycling projects in the Central Coast Region are listed below and shown with an asterisk. These projects are being funded through the CWSRF. Other projects in the region funded with the CWSRF are listed below as well.

- California American Water Company, Monterey Peninsula Water Supply Project
- Cambria Community Services District, Cambria CSD IPR Wastewater Effluent Quality Improvements*
- Cuyama Community Services District, WWTP Effluent Removal Remediation Project

- Monterey Regional Water Pollution Control Agency, Groundwater Replenishment Project*
- Pacific Grove, City of, Local Water Project*
- Pajaro Valley Water Management Agency, Recycled Water Treatment and Storage*
- Pismo Beach, City of, Sludge Dewatering Improvements and Lift Station Replacement
- San Luis Obispo, City of, Water Resource Recovery Facility Expansion and Improvements Project
- Santa Barbara, City of, El Estero Wastewater Treatment Plant Biosolids Process
 Improvements
- Santa Cruz County Sanitation District, Borregas Gulch Trunkline Replacement Project Phase I and Soquel Pump Station Force Main Replacement
- Watsonville, City of, Freedom Sanitation Trunk Sewer Line, Manana Lane Sanitary Sewer Replacement Project

Specific information on these funds can be found at:

*<u>http://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/index.sht</u> <u>ml</u>, OR at:

http://www.waterboards.ca.gov/water_issues/programs/grants_loans/docs/appstatusweb.pdf

DFA will hold three public workshops to provide information regarding the Groundwater Sustainability Program – Proposition 1 (Assembly Bill 1471, Chapter 10). The primary purpose of these workshops is to provide stakeholders an opportunity to hear progress on the upcoming draft guidelines and comment on the scope and direction the State Water Board staff is proposing. Staff will distribute information on the proposed scope prior to the meetings. In addition, the State Water Board will hold separate public workshops once the Draft Guidelines are posted for public comment. The meetings will be held in Sacramento on November 16, 2015, Los Angeles on November 17, 2015, and Fresno on November 18, 2015. More information on this funding program and the meetings is located at: http://www.waterboards.ca.gov/water_issues/programs/grants_loans/gw_funding/.

Central Coast Water Board General Activities Related to Drought

Drought-Related Complaints

Central Coast Water Board staff continues to refer people with complaints related to water use and diversions to the State Water Board's Water Rights Enforcement webpage and the complaint form:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/enforcement/complaints/index.shtml

The State Water Board is giving highest priority to these types of complaints when they are in critical watersheds that have had water rights curtailed due to drought conditions or in watersheds that have resident endangered species.

Since the last Water Board Meeting and Drought Update Report, Central Coast Water Board received the following complaints: 1) Wastefulness of using overhead irrigation sprinklers in agricultural fields near Highway 1 and Castroville.

Santa Cruz County

Lompico

The Lompico County Water District is in the process of consolidating with the San Lorenzo Valley Water District through the Local Agency Formation Commission. They expect this process to be complete by Spring of 2016. The consolidation was prompted when the California Department of Public Health (now the State Water Board Division of Drinking Water) added Lompico to a list of rural drinking water systems most at risk of running out of water. To insure reliable water to Lompico, San Lorenzo Valley Water District installed an emergency pipeline to deliver water to the community. Lompico lost water resources last year (groundwater due to a faulty pump and motor and Lompico Creek due to extremely low levels). The agencies secured money from the State Revolving Fund to pay for the pipeline.

Soquel Valley

The Soquel Valley is one of the basins identified by DWR as in critical overdraft. The Soquel Creek Water District Board declared a Stage 3 Water Shortage Emergency and a Groundwater Emergency at their June 17, 2014 meeting. The primary measures and actions under a groundwater emergency include issuance of a formal request to the County of Santa Cruz and surrounding water providers (including Central Water District and the City of Santa Cruz) to discuss what actions can be taken within their respective jurisdictions to help protect the groundwater basin. The issue of a possible water service moratorium was under consideration at the same meeting on June 17th; however, the board did not vote on this. Instead, the Board has modified the Water Demand Offset Program with an interim program whereby developers would pay into a fund to pay for new projects that would reduce water use within the District's service area and only allow new development to occur if developers offset their anticipated use by 200%. These projects will result in additional water savings within the District-- they do not include traditional retrofits that would occur anyway, such as replacing residential toilets at houses. The information above is from this website: http://www.soquelcreekwater.org/.

Most recently, the Soquel Creek Water District Board of Directors approved a Cooperative Water Transfer and Purchase Agreement with the City of Santa Cruz. The five-year agreement provides that the City may sell water to the District. While the agreement does not provide purchase of a large amount of water, it will help reduce pumping to safeguard limited groundwater supply.

Pajaro Valley

Pajaro Valley groundwater basin is also listed as in critical overdraft by DWR. The Pajaro Valley Water Management Agency partnered with the City of Watsonville to introduce the Watsonville Area Water Recycling Project as part of the agency's long-term plan to meet the water needs of our region. This recycling project will provide nearly a quarter of the water needed to halt seawater intrusion on coastal lands and is a cost-effective way to maximize local resources before turning to other supplemental sources. The Recycled Water Facility and Coastal Distribution System pipeline is the agency's most recent major construction project, designed to provide the only new source of water in the basin. These facilities will provide approximately 7,000 acre-feet of irrigation supply to coastal growers. Use of this water eliminates the need to pump groundwater within an area encompassing 7,700 acres. With the approval of the Basin Management Plan Update (February 2014), in combination with the recent Integrated Regional Water Management Plan Drought Funding Opportunity, The Agency hopes to expand the facilities and improve delivered water quality. The information above is from this website: http://www.pvwma.dst.ca.us/about-pvwma/purpose.php.

In July, local interested parties held the Community Water Dialogue to explore groundwater management. The agenda for the meeting can be reviewed here:

http://www.pvwater.org/mediaroom/notices/2015.07.28_CWD_Agenda_and_Commitment_Final.pdf

Monterey County

The Salinas 180/400 Foot Aquifer is also listed as in critical overdraft by DWR. Water Board staff has been tracking development of water sources in Monterey County to address this groundwater basin.

The Monterey County Water Resources Agency, the Monterey Peninsula Water Management District, the Monterey Regional Water Pollution Control Agency, the city of Salinas, and the Marina Coast Water District continue to pursue water sources for expanding the recycled water supply. Agreements to date consider tapping Peninsula wastewater and storm runoff and Salinas-area produce wash water and contaminated runoff to help meet regional water needs. Agreements and permit or water right applications to use water from Blanco Drain, the Reclamation Canal and Tembladero Slough are also in the works. Some water would be steered to a project known as Pure Water Monterey, in which treated water would be pumped into and stored in the Seaside groundwater basin. The project is coordinated with California American Water's desalination plant as part of the Peninsula water supply project, which is designed to help replace state-mandated pumping reductions from the Carmel River. The deal would also provide additional irrigation water for the existing Castroville Seawater Intrusion Project, which delivers recycled water for crop irrigation.

The Final Environmental Impact Report for the Pure Water Monterey project was certified by the Monterey Regional Water Pollution Control Agency on October 8, 2015.

Related to the project above, California American Water and the Castroville Community Services District are in preliminary talks about water-short Castroville taking most of the "returned" water from the proposed Monterey Peninsula desalination project. With the Monterey County Water Resources Agency (Agency) as go-between, Cal Am officials and Castroville Community Services District have discussed sending 800 acre-feet of desalinated water per year to the unincorporated town whose wells have been hit hard by overpumping and the drought, and have dropped to as much as 100 feet below sea level. Under the Agency Act, Cal Am is required to return any portion of "fresh water" drawn from its proposed slant well feeder system on the North Marina Cemex sand mining plant, which is within the Salinas Valley groundwater basin, to the basin after it's desalinated. Castroville, which is also in the basin, would qualify as an "end user" for the returned water. (See the article at this link for more information:

http://www.montereyherald.com/environment-and-nature/20150824/cal-am-castroville-in-early-talks-overdesal-water)

San Luis Obispo County

In response to the ongoing water scarcity concerns throughout San Luis Obispo County, the Board of Supervisors declared three groundwater basins, Nipomo Mesa (part of Santa Maria Groundwater Basin), the Los Osos Groundwater Basin, and the Paso Robles Groundwater Basin, at Level of Severity (LOS) III, which indicates that groundwater demand has met or exceeded the dependable supply.

On October 27, 2015, the Board of Supervisors held a hearing to consider county-wide water conservation rules including requirements for water off-sets for development in the Nipomo Mesa and Paso Robles groundwater areas. The proposed rule requires that new development be water neutral, meaning any new water use by a proposed project must demonstrate saving the same amount of water within the same water source. Los Osos already has a development offset requirement more stringent than the proposed off-set (2:1 versus 1:1). Additionally, the

rule includes water waste prevention. This part of the rule includes an ordinance prohibiting certain uses of water deemed as water wasting and identification of management practices to reduce water waste and increase water use efficiency in agricultural operations. The uses of water defined as water wasting include excessive irrigation of landscaping, washing of hard or paved surfaces, excessive runoff.

On August 25, 2015, The Tribune of San Luis Obispo reported that desalinated water from Diablo Canyon nuclear power plant could be made available to South San Luis Obispo County residents under a preliminary plan approved by the San Luis Obispo County Supervisors. The Supervisors approved a plan to construct a 7-mile emergency water pipeline that would carry drinking water to Avila Beach, where it could be fed into the water distribution system from Lopez Lake (in Port San Luis). The article can be reviewed at:

http://www.sanluisobispo.com/2015/08/25/3777708_desalinated-water-diablo-canyon.html?rh=1

Cambria

Staff has been carefully tracking the success, permit compliance and need for adjustments to the permit for long-term water augmentation and water quality protection. Staff will provide a status report on the Emergency Water Supply Project in a separate item on this agenda, Item 20.

Los Osos

The Los Osos Valley Groundwater Basin is listed as in critical overdraft by DWR.

The Los Osos Basin Management Plan was approved by a San Luis Obispo Superior Court Judge on October 14, 2015. The water purveyors who form the parties to the approved plan (or their representative) will describe the plan and next steps to the Central Coast Water Board as part of a separate item, Item 14 on this agenda or as part of a separate item at the January 28-29, 2016 Board meeting.

Paso Robles

The Paso Robles Area Groundwater Basin is also listed as in critical overdraft by DWR.

The application to form the Paso Robles Basin Water District submitted by the County of San Luis Obispo is currently being reviewed by the San Luis Obispo Local Area Formation Committee (LAFCO). LAFCO held the a second public hearing on August 20, and will hold a second public hearing on September 17, as well as additional hearings as needed. Additional information can be found at:

http://www.slolafco.com/PR_Water_Basin.htm

Pismo Beach

The City of Pismo Beach is evaluating water recycling to augment the City's water supply. The City is looking into updgrading current wastewater treatment to full advanced treatment for direct injection into groundwater.

Santa Barbara County

Cuyama Valley-

The Cuyama Valley groundwater basin is listed as in critical overdraft by DWR.

Currently, groundwater is the only source for domestic, agricultural and municipal water use in the Cuyama Valley. Groundwater withdrawals, mainly to irrigate agricultural crops, have resulted in water-level declines of as much as 300 feet in the area since the 1940s. To plan for sustainable future use of the groundwater, the U.S. Geological Survey (USGS), in cooperation

with the Santa Barbara County Water Agency (SBCWA) have conducted research aimed at defining the quantity and quality of the groundwater supply, and are establishing tools to allow users to efficiently utilize the available groundwater resources. Between 2008 and 2012, geologic, water-quality, hydrologic and geomechanical data were collected from selected sites throughout the Cuyama Valley groundwater basin to assess the water resources of the area. Information from the USGS study can be found at:

http://ca.water.usgs.gov/projects/cuyama/cuyama-valley-groundwater.html

The SBCWA prepared a technical memorandum dated July 13, 2015 that summarizes the conclusions from the Cuyama Valley Groundwater Availability Study in regard to Basin Balance for the recent period (2000-2010). This memorandum reports that the use of water from the basin is greater than the replenishment by 34,900 acre-fee per year.

The Cuyama Community Services District is the purveyor of water in the valley, has declared a Stage II Drought Emergency, and implements State drought and conservation regulations.

Cuyama Community Services District is pursuing use of recycled wastewater effluent to irrigate crops in lieu of using groundwater for irrigation. This would offset the amount of groundwater withdrawn. Permitting staff will work with the district to authorize changes to their wastewater discharge permit as needed (not expected until Fall 2016).

Other Municipalities

Most of the cities in southern Santa Barbara County have declared a drought emergency and are implementing conservation regulations and searching for alternative water supplies. Carpinteria Valley Water District is Stage II. Goleta Water District and the City of Santa Barbara are Stage III. Montecito Water District is Stage IV.

CONCLUSION

Given the severity of the drought and the high volume of work in response for the State Board Division of Water Rights, Central Coast Water Board staff will continue to track drought-related activities and issues in the region and provide assistance to stakeholders and the State Water Board as needed. Additionally, Central Coast Water Board staff will take drought conditions and impacts to beneficial uses and water quality into account as we continue to conduct permitting, groundwater and spill cleanup and investigations, interagency coordination and grant-funding outreach or other business affected by the drought.