



## City Council AGENDA REPORT

**DATE:** 08/31/2022

**AGENDA OF:** 09/13/2022

**DEPARTMENT:** Water

**SUBJECT:** Water Supply Augmentation Planning (WT)

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**RECOMMENDATION:** Motion authorizing the City Manager to execute Fourth Amendment to the Professional Services Agreement for Phase 2 Recycled Water Facility Planning Study in the amount of \$358,282 with Kennedy Jenks Consultants (San Francisco, CA) in a form to be approved by the City Attorney.

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**BACKGROUND:** In October 2015, the citizen-led Water Supply Advisory Committee (WSAC) reached consensus among its 14 members and recommended a strategy to deliver long-term water supply security to the City of Santa Cruz water customers by 2025. The strategy included the following three water supply alternatives:

- 1) strengthened water conservation to reduce demand
- 2) groundwater storage through water transfers, exchanges and/or aquifer storage and recovery (ASR)
- 3) advanced treated recycled water or desalinated water

The WSAC agreed the alternatives should be analyzed simultaneously so that by 2018 either recycled water or desalination would be prioritized in terms of ongoing study (completed) and by 2020 a selection of one or more projects would be recommended for implementation (completed).

Significant progress has been made on the strategies recommended by the WSAC and approved by City Council as summarized below.

- Water demand objectives have been met through implementation of a variety of conservation measures and other externalities influencing water use (e.g., water use restrictions that, once lifted, did not result in rebounded water use);
- Full scale ASR is occurring at two existing groundwater wells in the Mid County Groundwater Basin (MCGB);
- Ongoing partnership with Soquel Creek Water District to explore water transfers and exchanges;
- New partnership with Scotts Valley Water District to explore the potential for water transfer and exchange opportunities that will be available with the construction of the grant-funded intertie between the two agencies;

- Completion and approval of the Groundwater Sustainability Plan (GSP) for the MCGB and submission of the GSP for the Santa Margarita Groundwater Agency;
- Award of grant funding for new ASR in the MCGB;
- Securing our Water Future initiative being vetted with the Water Commission with the intention to bring a policy recommendation to City Council in November 2022, setting the framework for long-term implementation of water supply augmentation initiatives to meet WSAC water security and reliability goals;
- Water Supply Augmentation Implementation Plan is developing the detailed design and cost estimates for feasible water supply projects, incorporating the climate change work being performed by University of Massachusetts Amherst staff.

City Council authorized execution of an agreement with Kennedy Jenks at the November 26, 2019 meeting to advance the recycled water alternatives within the context of the WSAC alternatives analysis. Amendments were authorized in May 2020 to include climate modeling, in June 2020 to incorporate clarifying language for the purpose of accounting and reporting requirements for a potential grant (that was not received); and in February 2022 to broaden the suite of water supply alternatives given in part the advancements made by Soquel Creek Water District with their Pure Water Soquel project.

**DISCUSSION:** As described in the attached scope of work, this Fourth Amendment adds effort related to the climate change modeling and related vulnerability assessments, as well as an economic analysis of the cost to the community of varying degrees of water shortages. More specifically:

- Assessing the resiliency and vulnerability of the City Water Supply System under varying climate and weather model generated conditions, to evaluate the impact of different water supply augmentation strategies as adaptation measures – led by subconsultant University of Massachusetts (UMass)
- Performing an economic analysis of the cost to the city and the served community associated with potential future water supply shortfalls, with a specific focus on potential Stage 3, 4, and 5 levels of curtailment. This economic analysis would allow for a comparison with the costs of water supply that can be provided by the different water supply alternatives considered for the City’s portfolio.

As with all work related to the Department’s Water Supply Augmentation Strategy work plan, this work will be vetted through the Water Commission and is scheduled for completion December 2024. (Note that other supply augmentation initiatives, like ASR, will continue on a parallel course that will likely continue to include added water supply.)

**FISCAL IMPACT:** Funds are available in the Water Department Capital Investment Program FY 2023 budgets, c701611 Recycled Water Feasibility Study, c701612 Recycled Water Feasibility Study – SDC, and c701705 Water Supply Augmentation.

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**ATTACHMENTS:**  
1. FOURTH AMENDMENT .PDF