



PAJARO VALLEY WATER MANAGEMENT AGENCY

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October 18, 2018

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814



Via email: commentletters@waterboards.ca.gov

SUBJECT: Comment Letter – November 6, 2018 Board Meeting – CWSRF Policy Amendment

Dear Ms. Townsend:

The Pajaro Valley Water Management Agency (PV Water) is pleased to submit comments on the proposed amendment to the Policy for Implementing the Clean Water State Revolving Fund. PV Water is a state-chartered water management district formed to efficiently and economically manage existing and supplemental water supplies in order to prevent further increase in, and to accomplish continuing reduction of, long-term overdraft and seawater intrusion. PV Water is also the Groundwater Sustainability Agency (GSA) for the Pajaro Valley Groundwater Basin, which the California Department of Water Resources has identified as being a high priority, critically overdrafted groundwater basin. The agency works to provide and ensure sufficient water supplies for present and future anticipated needs within its boundaries, generally the greater coastal Pajaro Valley. In short, our vision is a sustainable Pajaro Valley Groundwater Basin.

Consideration of Sustainable Groundwater Management Requirements

PV Water has been working toward sustainable management of the Valley's water resources since 1984. In September 2014, Governor Brown signed into law a three-bill legislative package collectively known as the Sustainable Groundwater Management Act (SGMA). It requires critically overdrafted groundwater basins like ours become sustainable by 2040. SGMA defines sustainable groundwater management as the "management and use of groundwater in a manner that be maintained during the planning and implementation horizon without causing undesirable results." Undesirable Results as defined in SGMA may include chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply and significant and unreasonable seawater intrusion, as is being experienced in the Pajaro Valley. The Pajaro Valley Groundwater Basin serves as the primary source of water supplies for both agricultural water users and urban water users in the Disadvantaged Community of Watsonville and the Severely Disadvantaged Community of Pajaro.

State-designated high and medium priority basis must achieve sustainability by 2040, and as noted above, the Pajaro Valley is designated a critically overdrafted, high priority basin. As part of the plan to achieve sustainability, PV Water is funding a robust water conservation program, enhancing existing

water supply facilities, and developing a number of water supply projects that aim to reduce extractions and stop seawater intrusion. To do this, the facilities provide supplemental water for agricultural irrigation that include the increased treatment and delivery of recycled water and local surface water supplies. By increasing treated surface water deliveries, agricultural water users can reduce groundwater pumping and thereby reduce the degree of overdraft, protect against further seawater intrusion, and preserve groundwater supplies for urban water uses.

PV Water is prepared to meet the challenge of achieving sustainability but funding the projects will be a significant burden on the disadvantaged and severely disadvantaged communities we serve. To help minimize the financial burden, we are pursuing grant and low interest loan opportunities and hope to secure Clean Water SRF financing. However, we are concerned that the proposed amendments to the policy, as currently written, will not adequately recognize and prioritize projects and needs like ours. For that reason, PV Water recommends consideration of critically overdrafted groundwater basins and the SGMA compliance requirements as a resource or impact category in the Primary Score considerations. If the SWRCB chooses not to include this new category, then we request the current descriptions be amended to specify that seawater intrusion is an eligible drinking water source threat, and that the development of new water supplies, including stormwater capture and reuse to offset groundwater demands on a critically overdrafted basin and protect against further seawater intrusion, is an eligible activity under the Drinking Water Source category.

Disadvantaged Community Considerations

The PV Water service area generally encompasses the greater coastal Pajaro Valley, including the Disadvantaged Community (DAC) of Watsonville and the Severely Disadvantaged Community (SDAC) of Pajaro. The Town of Pajaro is considered a small community with a population less than 20,000; however, the City of Watsonville population exceeds the limit and would not be considered small. The current proposal for generating the fundable list is to automatically place small DACs or small SDACs on the fundable list; however, DACs or SDACs not meeting the small threshold will only receive community economic status consideration after selection of a cutoff score and in the event of a list greater than 125% of the funding target.

PV Water has three questions/comments regarding the DAC consideration:

1. For an agency like PV Water responsible for a groundwater basin that serves multiple communities, how will the DAC/SDAC criteria be applied?
2. PV Water recommends that DAC/SDAC consideration not be differentiated by population. A community struggling to provide clean, affordable and accessible water is not differentiated by population but only economic status.
3. If SWRCB does not reconsider the population threshold, then PV Water requests DAC/SDAC consideration be applied in the Secondary Score as a potential two points and prior to setting the cutoff score. By deferring consideration of the economic status as only a 'tiebreaker', we believe the proposed scoring approach does not align with Section 106.3 of the Water Code that states it is the policy of the state that every human being has the right to safe, clean, affordable and accessible water.

We appreciate your consideration and attention to this important matter. Should you have any questions, or require additional information, please contact Lidia Gutierrez at 925.766.5294 or by email to lidia@gutierrezconsultants.com .

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Lockwood". The signature is fluid and cursive, with the first name "Brian" being more prominent than the last name "Lockwood".

Brian Lockwood
General Manager