

GRANT APPLICATION

US Bureau of Reclamation
WaterSMART Grants Program:
Small-Scale Water Efficiency Projects for Fiscal Year 2023
Notice of Funding Opportunity No. R22AS00195

PROJECT TITLE:

“San Lorenzo Valley Water District
AMI Water Meter Replacement Project”

submitted by:



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APRIL 25, 2022

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A – Letters of Support

ACRONYMS

AMA	Advanced metering analytics
AMI	Advanced metering infrastructure
AMR	Automated meter reading
CAS	Climate Action Strategy
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
GHG	Greenhouse gas
GSP	Groundwater Sustainability Plan
LHMP	Local Hazard Mitigation Plan
NEPA	National Environmental Policy Act
NMFS	National Marine Fisheries Service
NRCS	Natural Resources Conservation Service
SLVWD	San Lorenzo Valley Water District
SMGWA	Santa Margarita Groundwater Agency
SVWD	Scotts Valley Water District
UWMP	Urban Water Management Plan

I. Technical Proposal and Evaluation Criteria

1. Executive Summary

The San Lorenzo Valley Water District (SLVWD, or District), located in Boulder Creek, Santa Cruz County, California is submitting this application to the Bureau of Reclamation for WaterSMART Small-Scale Water Efficiency Projects grant funds for the project, “San Lorenzo Valley Water District AMI Water Meter Replacement Project.” The SLVWD is a Category A applicant. Date of submission is April 25, 2022.

SLVWD will replace 522 meters along four metering routes in the City of Scotts Valley with Badger advanced metering infrastructure (AMI) meters. This project is part of a larger system-wide effort to replace all 7,960 meters in the service area with AMI technology in order to reduce water leakage, increase water conservation, improve operational efficiency, and increase energy efficiencies. The District relies entirely on local surface water and groundwater sources to meet customer demands. These sources are solely dependent upon rainfall within the San Lorenzo River Watershed, and are highly susceptible to drought. The proposed project will help the District meet its demand management goals, as described in the District’s Urban Water Management Plan and the Santa Margarita Groundwater Basin Groundwater Sustainability Plan, in order to increase water supply reliability and improve resiliency to drought. The anticipated water savings will not only benefit the District but will benefit downstream water users, including the City of Santa Cruz (population 100,000), which relies upon the San Lorenzo River and its tributaries for about 69 percent of its water supply. Anticipated water savings from AMI replacement will also benefit federally endangered and threatened species, including coho salmon and Central California Coast steelhead, by leaving more water in the raw water system and improving stream flows for environmental uses. The project will also produce energy efficiencies due to reduced surface water diversions and groundwater pumping, reduced treatment, and reduced vehicle miles driven for meter reads, resulting in significant energy savings and greenhouse gas emission reductions.

The project duration is two years, with grant-funded activities beginning on April 1, 2023 and grant completion by March 31, 2025. The Project is not located on a Federal facility.

2. Project Location

The Project is located within the San Lorenzo Valley Water District service area in Santa Cruz County, California, about 10 miles northwest of the City of Santa Cruz. The SLVWD service area encompasses approximately 98 square miles (62,749 acres). The latitude of the project is 37.038567; the longitude is -122.035999. Figure 1 below provides a vicinity map. Figure 2 shows the SLVWD service area in context with the surface waters of the San Lorenzo River watershed and Santa Margarita Groundwater Basin, from which the District draws its water supply.

Figure 1. SLVWD AMI Water Meter Replacement Project Vicinity Map

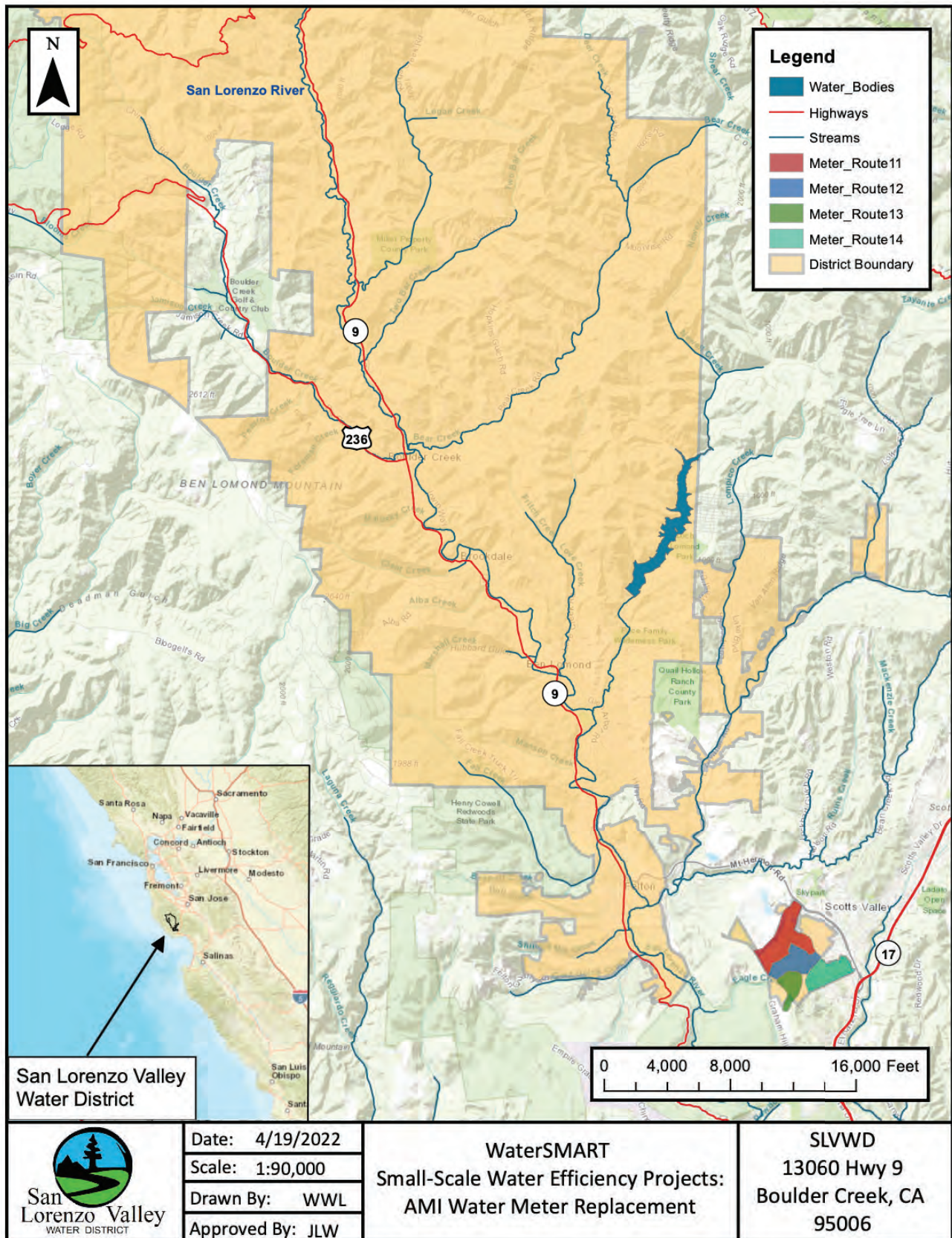
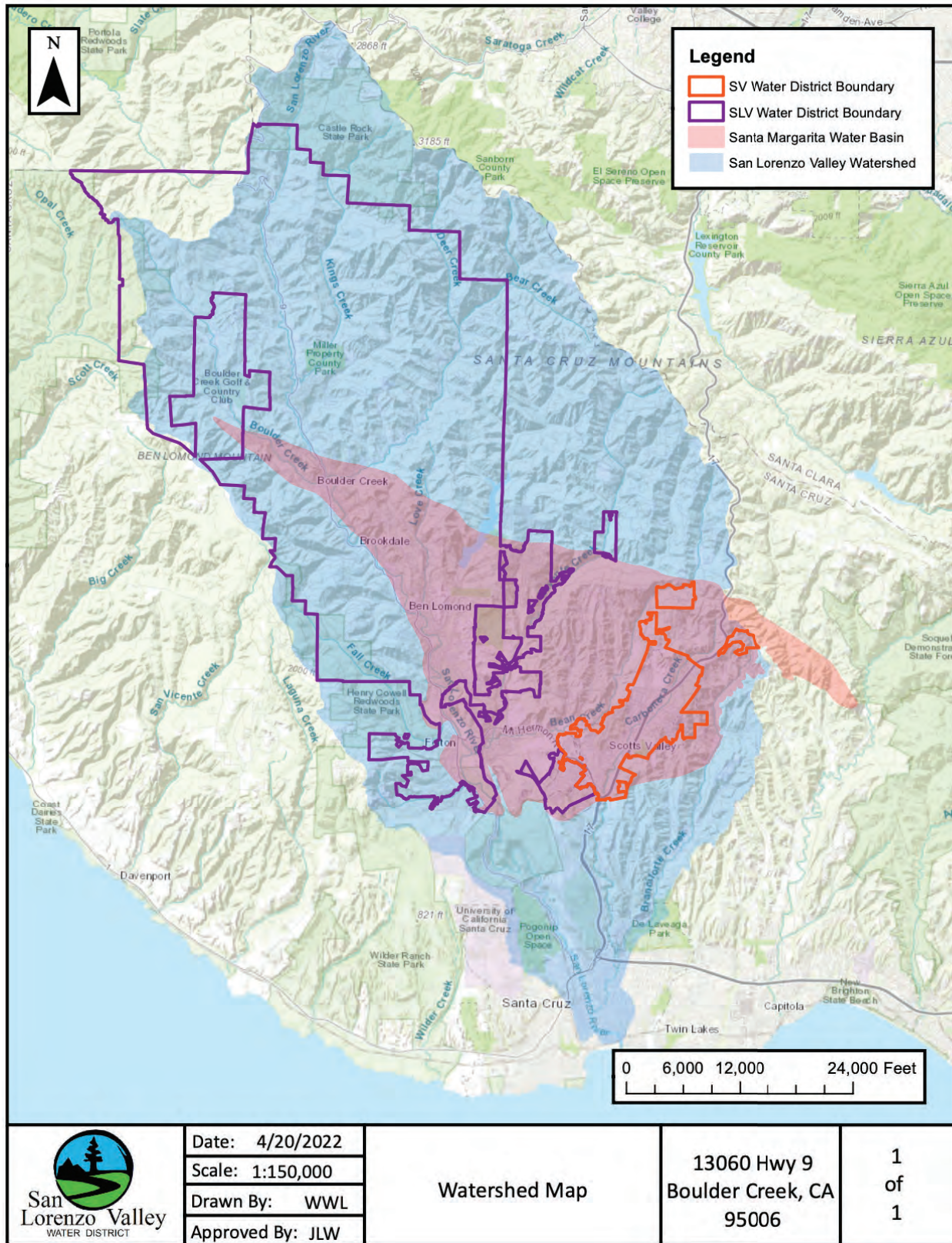


Figure 2. San Lorenzo Valley (SLV) Water District and Scotts Valley (SV) Water District Service Areas in Context with San Lorenzo River Watershed and Santa Margarita Groundwater Basin



3. Technical Project Description

Since 2016, the San Lorenzo Valley Water District has been working to upgrade all of the meters in its service area with AMI technology. The District has been replacing the existing automated meter reading (AMR) customer meters with Badger AMI meters and ORION cellular endpoints, with data analytical support through the Badger BEACON Advanced Metering Analytics (AMA) cloud-based software. With system-wide AMI replacement the District seeks to: achieve water savings, improve operational efficiency, reduce energy use, and upgrade old and failing meters. The vast majority of meters in the service area (5,948 meters) are 10 or more years old.

To date, about 30 percent of the meters (2,453 out of 7,960 meters) have been replaced with Badger AMI. Progress has stalled, however, due to the impacts of a major wildfire that took place in the Santa Cruz mountains in August 2020. The CZU lightning Complex fire burned 80 percent of SLVWD-owned properties and destroyed or damaged 50 percent of the critical water infrastructure, resulting in interrupted supply of water to customers and substantial repair costs. Cost estimates to repair or restore damaged or destroyed infrastructure is estimated at \$60 million. Service has been restored, although most of the surface water supply remains offline. The District is seeking WaterSMART Small-Scale Water Efficiency Projects grant funds to support resumption of its AMI meter replacement effort.

Grant funds will support the replacement of 522 meters, mostly residential. Specifically, the District will install 377 5/8" meters, 83 3/4" meters, and 62 1" Badger AMI meters, with ORION cellular endpoints. Since the existing meter lids are constructed of concrete, which can interfere with AMI data signal relays, SLVWD field staff will replace all of the existing meter lids with Fibrelyte® lids. AMI meter installation will occur along four established meter routes in the City of Scotts Valley. The meter routes are located in the District's South System, which is part of the San Lorenzo Valley System. These routes have been prioritized and selected because the water usage in these areas is higher than average, and leaks are often more difficult to detect because of sandy soils.

SLVWD field staff will install the AMI meters over the course of 12 months (though the schedule allows for 18 months). Due to limited storage capacity, SLVWD staff will stagger the purchasing of AMI supplies to meet the anticipated work flow, rather than purchasing all 522 AMI meters, end points, and lids upfront.

The AMI installation work will be performed by existing SLVWD staff, including three field services workers under the general supervision of SLVWD Director of Operations James Furtado. Since SLVWD staff are well experienced with AMI installation, no special training will be required, and no new administrative procedures will be needed outside of the staff's regular work responsibilities.

4. Evaluation Criteria

A. Evaluation Criterion A – Project Benefits

1. Benefits to the Category A Applicant’s Water Delivery System

- a. Clearly explain the anticipated water management benefits to the Category A applicant’s water supply delivery system and water customers.

The expected water management benefits to SLVWD’s water supply system and customers include water savings, improved operational efficiencies, and reduced operational costs.

As noted above, SLVWD is working to replace all of its existing AMR customer meters with Badger AMI meters and ORION cellular endpoints, with data analytical support through the BEACON AMA cloud-based software. The water savings benefits of AMI compared with AMR metering have been well established. Water savings are expected to result from reduced leakage on the customer side of the meter and from increased water conservation on the part of customers.

AMI allows for rapid detection of leaks by providing advanced, detailed resolution of water usage data. With AMR meters, it can take SLVWD staff up to 45 days to identify leaks on customer property, and even longer to notify the customers of the leaks. AMI technology, on the other hand, provides nearly real-time water usage data to both SLVWD staff and customers, allowing for more rapid leak detection and response. The AMA software not only alerts SLVWD staff to high water usage activity but flags the slow, persistent leaks that may otherwise go undetected. Studies show that AMI can result in significant water savings. For example, a 2014 AMI pilot study conducted by East Bay Municipal Utility District found water savings to be 15 percent on average among residential customers after the installation of AMI meters.¹

The proposed AMI replacement project is also expected to increase water conservation. SLVWD customers will have access to Badger BEACON EyeOnWater® web portal, which provides easy access to personal water consumption data in 15-minute, hourly, daily, monthly and yearly intervals. Daily use information feedback encourages customers to be more proactive about water conservation. Tools such as EyeOnWater® have been shown to reduce water usage by 10 percent or more.² SLVWD provides customers with information about the EyeOnWater® web tool when AMI meters are installed.

The AMI replacement project will improve SLVWD operational efficiencies. SLVWD staff spend countless hours every month reading AMR meters. The SLVWD service area is located in a rural,

¹ East Bay Municipal Utility District. “Advanced Metering Infrastructure (AMI) Pilot Studies Update.” November 25, 2014.

² Atkinson, W. 2016. AMR or AMI: Which makes more sense? [Waterworld](https://www.waterworld.com/home/article/14070020/amr-or-ami-which-makes-more-sense). January 7, 2016 article published online: <https://www.waterworld.com/home/article/14070020/amr-or-ami-which-makes-more-sense>.

mountainous region; relatively short distances can take a long time to drive, particularly during inclement weather. Replacing AMR meters with AMI will substantially reduce staff time spent on meter reading and allow them to focus on more urgent water management concerns. Likewise, the improved data analytics offered by AMA will reduce the amount of time staff spend analyzing customer usage data for potential leaks. The AMA analytic capabilities not only cut down on staff review time, but allow staff to detect more subtle leaks, which may otherwise go undetected. AMA also makes the billing process more efficient and generally improves customer interface via the portal. All of these improvements will help the SLVWD office and operations run more efficiently and effectively.

Finally, with improved operational efficiency comes reduced operational costs. Eliminating the need to manually read AMR meters will substantially reduce truck rolls, saving fuel and maintenance costs along with staff time. Improved, granular water usage data may also reduce billing disputes, saving associated staff time and costs. For SLVWD – a small water district with limited staff and financial resources – these operational efficiencies and cost savings are very significant. The project will help the District manage its water system more effectively.

- b. Explain the significance of the anticipated water management benefits for the Category A applicant’s water delivery system and customers. Consider:
 - Are customers not getting their full water right at certain times of year?
 - Does this project have the potential to prevent lawsuits or water calls?
 - What are the consequences of not making the improvement?
 - Are customer water restrictions currently required?
 - Other significant concerns that support the need for the project.

The anticipated water management benefits of the proposed AMI meter replacement project are significant for the District’s water system and customers. All of SLVWD’s water supply is derived from local surface water and groundwater, which are fed entirely by precipitation. Droughts occur with some regularity in the Santa Cruz region. In recent history, Santa Cruz County experienced four drought periods – 1976-77, 1987-1992, 2007-09, 2012-15 – and is currently in the third year of drought. It is expected that the effects of climate change will result in more severe droughts of longer duration.³ Stream flow is inadequate to meet demands during a drought, and all the major groundwater basins in Santa Cruz County are in some level of overdraft.⁴ Given that the District has limited storage and no supplemental water sources such as recycled or desalinated water, demand reduction measures are absolutely critical for increasing the District’s water supply resiliency to drought and other water shortage conditions.

For the past two years, SLVWD has been under Stage 2 of its Water Shortage Contingency Plan. The District has ordered certain mandatory restrictions (including restrictions on landscape irrigation and filling swimming pools) and water waste prohibitions. Mandatory conservation is

³ Ibid., p. 99.

⁴ County of Santa Cruz Local Hazard Mitigation Plan 2021-2026, July 2021, p. 97.

not in effect at this time, however, the District is actively encouraging its customers to conserve with a target of 20 percent reduction.

Since 2016, SLVWD has been working to upgrade all of the meters in its service area with AMI technology. Replacing the existing AMR meters with AMI is a key element in the District's demand management strategy. To date, about 30 percent of the meters (2,453 out of 7,960 meters) have been replaced with Badger AMI. Progress has stalled, however, due to the impacts of the CZU Lightning Complex fire in August 2020. Service has been restored, although most of the surface water supply remains offline. Future wildfires carry the same risk of interruption or further loss of water infrastructure and damage to the watershed. The proposed project, as part of the District's larger AMI replacement effort, will enable the District to leave more water in the raw water system that will improve water supply reliability not only in times of drought but as needed for firefighting purposes.

The consequences of not making the proposed meter improvements would be lost opportunity to achieve water savings, increase energy efficiency, and improve operational efficiency. Small-Scale Water Efficiency Projects grant funds will provide much-needed funds to enable SLVWD to resume its system-wide AMI replacement effort following the CZU Lightning Complex fire.

Note that the question regarding customers receiving their full water rights at certain times of the year is not applicable to this project. With regard to preventing lawsuits, while it does not seem likely that an AMI metering project would prevent lawsuits per se, it may reduce conflicts that could arise over billing questions. The Badger BEACON AMA provides accessible water usage data with easy-to-understand graphics, which may help reduce the likelihood of disputes.

2. Broader Benefits

- a. Will the project improve broader water supply reliability at sub-basin or basin scale?

The proposed AMI replacement project, with an objective of replacing 522 meters, is a relatively small project but is an important piece in SLVWD's larger effort to achieve water savings through AMI replacement district-wide. SLVWD's AMI replacement effort will provide a significant contribution to the combined efforts of major water purveyors throughout Santa Cruz County to achieve improved water supply sustainability for the broader region. Like SLVWD, all of other major water purveyors in Santa Cruz County depend on local surface water and groundwater for their water supplies and do not receive any imported water.

SLVWD is situated at the top of the San Lorenzo River watershed. The District relies on surface water from the San Lorenzo River and its tributaries for 54 percent of its water supply. The anticipated water savings from the proposed project will not only benefit the District but will benefit downstream water users, in particular the City of Santa Cruz which relies upon the surface waters of the San Lorenzo River and its tributaries for about 69 percent of the water it provides its 100,000 customers. Water savings in the upper watershed directly contribute to water availability and water supply reliability in the lower watershed.

SLVWD pulls the remaining 46 percent of its water supply from groundwater sources, almost all of which comes from the Santa Margarita Groundwater Basin. The Santa Margarita Groundwater Basin aquifers are closely connected with the San Lorenzo River and its tributaries. Figure 2 (on p. 3) shows the Santa Margarita Groundwater Basin in context with the San Lorenzo River watershed and the SLVWD service area boundaries. It is estimated that 40 to 50 percent of dry season flow of the San Lorenzo River comes from the Santa Margarita Basin. Conversely, streamflow is an indirect source of recharge to the groundwater basin.

The Santa Margarita Groundwater Basin water supply is shared by two other water districts along with local businesses and residents using private wells. For SLVWD, groundwater is the primary source of drinking water for residents from June through October when surface water flow is low. The other water districts – Scotts Valley Water District (SVWD) and Mount Mermon Association – rely entirely on groundwater year-round for their potable water supplies. Water savings from SLVWD’s AMI replacement project will positively impact water supplies in the Santa Margarita Groundwater Basin, providing improved water supply reliability for all water users who depend on that resource. And given the close inter-connectedness of surface water and groundwater in the San Lorenzo River watershed, any water savings achieved will improve water supply sustainability at both the groundwater basin and watershed basin scale.

- b. Will the proposed project increase collaboration and information sharing among water managers in the region? Please explain.

The proposed project will support collaboration and information sharing among water managers in the region. SLVWD participates in the Water Conservation Coalition, a partnership between all of the major water agencies in Santa Cruz County plus the County Environmental Health Department and several nonprofit organizations. The goal of the Coalition is to combine efforts and share resources to provide a common message about water conservation issues to residents throughout Santa Cruz County. AMI infrastructure provides a powerful informational tool that can be used collectively by water managers to encourage water conservation.

Most districts in the region have deployed, or are in the process of deploying, AMI infrastructure. Scotts Valley Water District began a system-wide deployment of AMI for its 4,300 meters in 2016 and achieved 100 percent completion in Spring 2021. The City of Santa Cruz is also in the process upgrading its meters with AMI technology, with a goal of replacing all 24,500 customer meters by end of this year. The proposed project will enable SLVWD to make positive progress toward system-wide AMI deployment. Advanced metering throughout the region can improve data gathering, help water managers understand regional water usage trends, and allow them to develop more effective water conservation programs and messaging for residents in Santa Cruz County.

- c. Will the proposed project positively impacts/benefit various sectors and economies within the applicable geographic area (e.g., impacts to agriculture, environment, recreation, and tourism)? Please explain.

The proposed project will benefit mostly residential customers, along with some limited recreational areas (namely, a golf course and horse stables). One important sector that the project will benefit – as part of SLVWD’s broader AMI replacement effort – is the environment. Ecosystems are perhaps the water use sector hardest hit by recent droughts and the current drought.

More water left in the surface water system, as a result of reduced diversions and ground basin pumping, will provide benefits to species that depend on flowing surface waters in the San Lorenzo River system, and will contribute to healthier riparian habitat. By leaving more water in the raw water system for environmental uses, water savings achieved from AMI replacement will provide benefits for federally threatened and endangered species. The San Lorenzo River has been listed by the National Marine Fisheries Service (NMFS) as critical habitat for the recovery of Central California Coast steelhead (*Oncorhynchus mykiss*), which is federally listed as threatened, and for coho salmon (*Oncorhynchus kisutch*), federally listed as endangered. Impacts to coho salmon are of particular concern because coho populations south of the Golden Gate Bridge are on the brink of extirpation. The proposed project will contribute to improved instream flow conditions for these special status aquatic species.

- d. Will the project complement work being done in coordination with NRCS in the area (e.g., the area with a direct connection to the districts water supply)? Please explain.

The SLVWD is a mostly residential area with very little agriculture. There are currently no known NRCS projects being implemented in the SLVWD service area.

- e. Will the project help address drought conditions at the sub-basin or basin scale? Please explain.

The proposed AMI replacement project will help address drought conditions on both a watershed and groundwater basin scale, as described in the foregoing sections. The anticipated water savings will be left in the raw water system (creeks and groundwater basin), contributing to increased regional water supply and improved water supply resiliency to drought.

B. Evaluation Criterion B – Planning Efforts Supporting the Project

The AMI Water Meter Replacement Project is supported through several local and regional planning efforts. This section describes for each of the plans listed below: 1) the planning effort (i.e., how the plan was developed), and 2) support for the project (e.g., whether the project is identified specifically in the planning effort, whether the project implements a goal or addresses a need or problem identified in the planning effort).

2020 Urban Water Management Plan (UWMP): The proposed AMI Water Meter Replacement Project is supported by the District’s UWMP, which is a joint planning document for SLVWD and SCWD. The Districts completed individual UWMPs in prior years; however, in 2020 the Districts

decided to prepare a regional UWMP given that they are adjacent water districts that share groundwater and have a long history of partnering on various projects and activities.

The 2020 UWMP was prepared in compliance with the California Water Code by two consulting organizations (Water Systems Consulting Inc. and Montgomery & Associates) in partnership with SLVWD and SVWD. The Districts engaged neighboring water suppliers and public agencies, including the City of Scotts Valley and County of Santa Cruz, and the public to seek information in order to strengthen the ability to assess and plan for the region's water future. The Districts made the UWMP available for public review and held public hearings prior to adoption, following public noticing guidelines.

The AMI replacement project is identified as one of seven required demand management measures in Section 15.1.2 of the UWMP (p. 15-2), with specific reference to SLVWD's effort to replace existing AMR meters with AMI technology (note, the UWMP does not rank/prioritize demand management measures). AMI is also referenced in the Water Shortage Contingency Plan (Section 13.4.5 Shortage Response Action Effectiveness, p. 13-13) as an important measure to provide the Districts with additional data and opportunities to effectively monitor and coordinate with customers in near real-time. The project addresses the need to achieve water savings in order to mitigate for water shortage.

Santa Margarita Groundwater Basin Groundwater Sustainability Plan (GSP, 2021): The proposed AMI Water Meter Replacement Project is supported as a project in the Santa Margarita Groundwater Basin GSP. In June 2017 SLVWD, SVWD, and the County of Santa Cruz formed the Santa Margarita Groundwater Agency (SMGWA) for the purpose of collaboratively and sustainably managing the Santa Margarita Groundwater Basin for all beneficial uses and users. The SMGWA is governed by a Board of Directors comprising two representatives from each member agency, single representatives from the City of Scotts Valley, City of Santa Cruz, and Mount Hermon Association, and two private well owners. The City of Santa Cruz serves on the GSA board because, as noted previously, it obtains the majority of its water supply from the San Lorenzo River watershed, which covers almost the entire groundwater basin.

The GSP was developed in compliance with the California Sustainability Groundwater Management Act's statutory and regulatory requirements, as a collaborative effort among the SMGWA's cooperating agencies and technical consultants. Decisions shaping policy were informed by input from resource management agencies, community members, and interested stakeholders. Extensive public outreach and engagement efforts prior to and during GSP development are documented in a Communication and Engagement Plan. As each draft section of the GSP was developed, staff from SLVWD, SVWD, County, and City of Santa Cruz provided initial feedback. During Board meetings covering draft sections of the GSP, the public was encouraged to provide verbal feedback on the topics being discussed.

The GSP includes AMI metering as a recommended project to increase efficiencies within SLVWD's and SVWD's distribution systems. Chapter 4.3 includes AMI metering as part of the project "SLVWD, SVWD, and Santa Cruz County Additional Water Use Efficiency" (Section

4.3.1.1, p. 4-11): “Both SLWVD and SVWD will look to continue to increase efficiencies within their respective distribution systems through improvements to the metering infrastructure...”
Note, the GSP does not rank/prioritize projects.

County of Santa Cruz Local Hazard Mitigation Plan (LHMP, 2021-2026): The County of Santa Cruz MP covers unincorporated portions of Santa Cruz County. Being located within unincorporated Santa Cruz County, the SLVWD service district is therefore covered by the County MP. The County prepared the MP pursuant to CFR §201.6. The planning process was led by the Planning Department with contributions from Public Works, Environmental Health, Emergency Services, General Services, Geographic Information Systems, Health Services, and the Santa Cruz County Emergency Management Council. The MP was adopted by the Board of Supervisors on November 9, 2021.

The County of Santa Cruz MP provides support for the proposed AMI replacement project under Chapter 7 Drought, Section 7.2.1 Mitigation Goals. While advanced metering is not referenced specifically, the project addresses Drought Goals, specifically Drought 1 - Reduce near-term drought shortages through water conservation and water supply projects (p. 103).

County of Santa Cruz Climate Action Strategy (CAS, 2013): The County of Santa Cruz CAS was prepared by the County of Santa Cruz Planning Department and approved by the Board of Supervisors on February 26, 2013. The CAS planning process included community meetings and outreach to local community and non-governmental agencies that are working to mitigate and respond to climate change, including agriculture and the business community. The CAS proposes targets for greenhouse gas (GHG) emissions reduction, outlines strategies and implementing actions to achieve the targets, and focuses on vulnerability assessment and strategies for adapting to the types of impacts that are likely to occur in Santa Cruz County. While AMI replacement is not mentioned specifically in the CAS, the proposed AMI Water Meter Replace Project supports Strategy E-8: Reduce energy use for water supply through water conservation strategies (Table 3-1: Strategies for the Reduction of Greenhouse Gases from Energy Use, p. 22).

C. Evaluation Criterion C – Implementation and Results

1. Implementation Plan

The implementation plan for the proposed AMI Water Meter Replacement Project consists of the following scope of work and schedule.

Task 1. Grant Administration

This task includes all activities related to grant administration, including execution of the grant agreement, quarterly invoicing to Reclamation, reporting (including financial reports, semi-annual Interim Performance Report, and the Final Performance Report), and other requirements as outlined in the grant agreement. We assume an official project start date of

April 1, 2023. We expect to have the Grant Agreement signed by July 1, 2023, and to have NEPA clearance by that date as well. Three months have been added to the schedule for final reporting, invoicing, and grant close out following completion of AMI installation. The project will conclude March 31, 2025. Milestones include:

- NEPA clearance by July 1, 2023
- Executed Grant Agreement by July 1, 2023
- Quarterly invoices to Reclamation
- Semi-annual SF-425 Federal Financial Report and Interim Performance Reports submitted by January 31, 2024, July 31, 2024, and January 31, 2025
- Final Performance Report and SF-425 Federal Financial Report submitted by March 31, 2025

Task 2. AMI Meter Installation

This task includes procurement of supplies and AMI installation. SLVWD staff will place the first order for Badger AMI meters and endpoints and Fibrelyte® meter lids as soon as the grant award is announced, assuming April 1, 2023. Based on previous experience, AMI supplies are expected to arrive within 2-3 months of order.

AMI installation will begin following execution of the grant agreement and NEPA clearance, with an expected start date of July 1, 2023. AMI meter installation will be performed by SLVWD field staff under the general supervision of SLVWD Director of Operations, James Furtado. Field staff will install the AMI meters, endpoints, and Fibrelyte® lids along four metering routes in the City of Scotts Valley. Installation is expected to occur over the course of 12 months (July 1, 2023 – June 30, 2024), as the work schedule allows, with an additional six months added to the schedule as buffer. Purchasing of supplies will be staggered over the course of the project in order to accommodate the District’s limited storage capacity. All installation activities will be completed by December 31, 2024. Milestones include:

- First order of AMI supplies procured by July 1, 2023
- Installation begins July 1, 2023
- Installation completed by December 31, 2024

Table 1 displays the project schedule, as outlined in the narrative above.

Table 1. Project Schedule

	Q2 2023			Q3 2023			Q4 2023			Q1 2024			Q2 2024			Q3 2024			Q4 2024			Q1 2025			
	Apr	May	Jun	Jul	Aug	p	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	p	Oct	Nov	Dec	Jan	Feb	Mar	
Task 1. Grant Admin	Award notification Apr 1			Executed Agreement July 1						Semi-annual Reports												Semi-annual Reports			Final Reports March 31
Task 2. AMI Meter Installation				AMI Installation begins July 1, 2023															AMI Installation completed by Dec. 31, 2024						

1. Permits

No additional permits or approvals are required for this project.

2. Engineering and Design

Engineering and design are not required for this project.

3. New Policies or Administrative Actions

No new policies or administrative actions will be required to implement the project.

4. Environmental and Cultural Resource Compliance

CEQA has been completed. The District filed a Notice of Exemption with the Santa Cruz County Clerk in April 2022. The Project meets exemptions under 14 California Code of Regulations (CCR) Sections 15302 and 15301. The Project consists of “replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced” (Section 15302), and of “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use” (Section 15301). The Project will not increase the water supply capacity or change the purpose or function of existing water metering facilities.

D. Evaluation Criterion D – Nexus to Reclamation

There is no known direct nexus to current Reclamation activities.

E. Evaluation Criterion E – Presidential and Department of the Interior Priorities

sub-criterion No. E1. Climate Change

The proposed AMI Water Meter Replacement Project will address climate change in several ways, including: 1) improving water system resiliency to drought and other impacts of climate change, 2) reducing greenhouse gas emissions, and 3) improving stream flows to enhance habitat for federally endangered and threatened salmonids and riparian habitat.

The project will improve water system resiliency to drought by achieving water savings through reduced leakage on the customer side of the meter, and through increased water conservation on the part of customer. Since the proposed project is “small-scale” (522 meters), the actual water savings anticipated may be somewhat limited; however, as part of the system-wide AMI replacement effort (7,960 meters), the water savings are meaningful and significant. In addition to improving drought resiliency, the water savings that result from the project will help reduce risk from wildfires. According to the County of Santa Cruz MP 2021-2026, climate change is expected to increase the already high risk of wildfires in terms of fire frequency, size, and severity beyond the historic range of natural wildfire variability due to increasing length of the fire season, drier fuels, and decreasing forest health (p. 154). The AMI replacement project will provide resiliency to climate change impacts by enabling more water to be stored in the Santa Margarita Groundwater Basin for both potable and firefighting purposes.

The project will also contribute to energy savings. Energy uses in the SLVWD water system include:

- Energy is used to operate equipment at diversion facilities and wells
- Energy is used at booster and pump stations to convey raw water
- Energy is used at surface water and groundwater treatment facilities
- Energy is used at pump stations to convey treated water and at reservoir/tank sites within the distribution system

The reduced water use that will result from AMI metering will enable SLVWD to reduce surface water diversions and groundwater pumping, reduce treatment, and reduce vehicle miles driven for meter reads each year. These energy efficiencies will result in significant energy savings and greenhouse gas emission reductions.

Finally, water savings that result from AMI metering will contribute toward improving stream flows in the San Lorenzo River and its tributaries, which will enhance habitat for federally endangered and threatened salmonids and riparian habitat. As noted previously, the San Lorenzo River has been listed by NMFS as critical habitat for the recovery of Central California Coast steelhead and coho salmon. Saving more water in the surface water system for environmental uses will improve ecosystem resiliency to drought and to other impacts of climate change.

Sub-criterion No. E2. Disadvantaged or Underserved Communities

The neighborhoods that will be served by this project in the City of Scotts Valley are not located within an economically disadvantaged or underserved community.

ub-criterion No. E.3. Tribal Benefits

The proposed project does not directly serve a Tribe. However, the project is consistent with the conservation goals and ethic of the Amah Mutsun Tribal Band of the Ohlone/Costanoan Native Americans, who live in the Santa Cruz County region. The Amah Mutsun are working to restore indigenous stewardship and support sustainable practices in the territories of their ancestors, which include lands within the San Lorenzo River watershed. The water savings anticipated to result from the AMI replacement project will be “stored” in the raw water system, including the Santa Margarita Groundwater Basin and the San Lorenzo River system. By contributing to improved stream flow in the San Lorenzo River and its tributaries, the project will enhance aquatic habitat and support the conservation objectives and guiding values of the Amah Mutsun Tribal Band.

5. Overlap or Duplication of Effort Statement

The San Lorenzo Valley Water District certifies that there is no existing overlap between the proposed project and any other active or anticipated proposals or projects in terms of activities, costs, or commitment of key personnel. In addition, the proposal does not in any way duplicate any proposal or project that has been or will be submitted for funding consideration to any other potential funding source, whether it be Federal or non-Federal. Note, however, that SLVWD may submit an application to the Bureau of Reclamation for the next cycle of WaterSMART Water and Energy Efficiency Grants in order to complete system-wide AMI deployment. Any activities proposed in that grant application would not in any way duplicate activities proposed in this application, but would continue progress where this project leaves off.

II. Project Budget

1. Funding Plan

The San Lorenzo Valley Water District is requesting \$100,000 in federal grant funds. The total non-federal cost share is \$124,481. The total project cost is \$224,481. SLVWD will provide a monetary contribution of \$70,903 toward purchase of supplies and will provide an in-kind contribution of \$53,578 for staff salaries and fringe benefits. The SLVWD monetary cost share for purchase of AMI meter supplies will be provided by cash reserves. All match is secure.

2. Budget Proposal

Tables 2 and 3 show the total project budget broken out by requested Reclamation funds and non-federal cost share. Table 4 shows a more detailed budget broken out by budget category.

Table 2. Summary of Non-Federal and Federal Funding Sources

FUNDING SOURCES	AMOUNT
on-Federal Entities:	
an Lorenzo Valley Water District: Monetary contribution	\$ 70,903
an Lorenzo Valley Water District: In-kind contribution	\$ 53,578
on-Federal Subtotal	\$ 124,481
Requested Reclamation Funding	\$ 100,000

Table 3. Total Project Cost Table

SOURCE	AMOUNT
Costs to be reimbursed with requested Federal funding	\$ 100,000
Costs to be paid by the applicant	\$ 124,481
Value of third-party contributions	\$ 0
TOTAL PROJECT COST	\$ 224,481

Table 4. Proposed Budget

BUDGET ITEM DESCRIPTION	COMPUTATION		QUANTITY TYPE	TOTAL COST
	\$/UNIT	QUANTITY		
Salaries and Wages				
Lead Field Services Worker	\$ 45.00	280	hours	\$ 12,600
Field Services Worker I	\$ 30.00	280	hours	\$ 8,400
Field Services Worker I	\$ 30.00	280	hours	\$ 8,400
Fringe Benefits				
Lead Field Services Worker	\$ 27.00	280	hours	\$ 7,560
Field Services Worker I	\$ 18.00	280	hours	\$ 5,040
Field Services Worker I	\$ 18.00	280	hours	\$ 5,040
Supplies and Materials*				
5/8" Meter	\$ 143.10	377	each	\$ 53,949
3/4" Meter	\$ 173.34	83	each	\$ 14,387
1" Meter	\$ 243.54	62	each	\$ 15,100
LTE-M Endpoint	\$ 133.11	522	each	\$ 69,483
Fibrelyte® Lids B-9	\$ 32.40	460	each	\$ 14,904
Fibrelyte® Lids B-16	\$ 49.68	62	each	\$ 3,080
<i>* Price includes an 8% estimated increase from 2022 to 2023</i>				
TOTAL DIRECT COSTS				\$ 217,943
Indirect Costs				
De Minimis Indirect Cost	3%	\$217,943		\$ 6,538
TOTAL ESTIMATED PROJECT COSTS				\$ 224,481

3. Budget Narrative

The budget costs for the proposed AMI Water Meter Replacement Project are described below. This budget proposal does not include any project costs that may be incurred prior to award, with the exception of SLVWD administrative staff time needed to negotiate the Grant Agreement (in-kind cost share).

Salaries and Wages

The total cost for salaries and wages is \$29,400, all of which will be provided by SLVWD as in-kind cost share. These costs are allocated to Task 2 AMI installation. Salaries and wages for Task 2 consist of one lead Field Services Worker at a rate of \$45/hour and two Field Services Worker positions at a rate of \$30/hour, each working an estimated 280 hours. These staff will work under the general supervision of James Furtado, SLVWD Director of Operations, who will also act as Project Manager for this project. Mr. Furtado's cost is not reflected in the budget since any time spent overseeing Operations & Distributions staff is considered part of his ordinary day-to-day responsibilities.

SLVWD certifies that the labor rates included in this budget proposal represent the actual labor rates of the identified personnel and are consistently applied to Federal and non-Federal activities.

Fringe Benefits

Fringe benefits for the three staff who will implement the Task 2 AMI installation activities total \$17,640, all of which will be provided by SLVWD as in-kind cost share. This includes a benefit rate of \$27/hour for the lead Field Services Worker position (for 280 hours = \$7,560), and a benefit rate of \$18/hour for the Field Services Worker position (for 280 hours x 2 staff = \$10,080).

SLVWD uses a standard factor for each department in calculating benefits. The field staff percentage was calculated at 60 percent. Fringe benefits include: healthcare, including dental and vision; life insurance; long-term disability; employer paid CalPERS pension contribution; and workers compensation assistance; social security; and Medicare.

Supplies and Materials

The total estimated cost for supplies and materials is \$170,903. SLVWD will contribute \$70,903 from cash reserves as a monetary contribution to the project. SLVWD is requesting \$100,000 in federal grant funds to cover the remaining cost.

The entire supplies and materials cost is allocated to Task 2 AMI implementation. These costs consist of \$83,436 for Badger AMI meters, \$69,483 for ORION endpoints, and \$17,984 for Fibrelyte® lids. The quantities, specific types, and per item costs are detailed in Table 4 above.

Costs for Badger meters and endpoints are based on a quotation from Badger Meter (2022 Badger Meter Master Price List, Quotation No. 3337511). Since the Price List is effective only through February 2, 2023, an escalation percentage of 8% has been added to all supply costs. The 8% rate was used at the recommendation of Bader Meter staff (Kathy Richards, email dated April 21, 2022). The cost for Fibrelyte® Lids was estimated based on recent purchases, with an 8% escalation factor added.

Indirect Costs

Indirect costs, based on a rate of 3% of direct costs, total \$6,538 (3% x \$217,943). All indirect costs are allocated to Task 1 and cover administrative costs associated with this grant. These costs will be contributed by SLVWD as in-kind cost share. SLVWD's Environmental Programs Manager will be responsible for all administrative activities, including grant execution, quarterly invoices to Reclamation, and required semi-annual and final reports. The Environmental Programs Manager's benefited rate is \$64.95/hour (\$49.36/hour base rate, \$15.59/hour fringe benefits at a 31.6% calculation rate). The Environmental Programs Manager will spend just over 100 hours on administrative activities, estimated roughly as follows: 24 hours negotiating the Grant Agreement, 24 hours on quarterly invoicing (6 invoices), 24 hours on semi-annual reports (8 hours each), and 30 hours on the Final Performance Report, SF-425 Federal Financial Report, and final invoice.

III. Environmental and Cultural Resources Compliance

1. Will the proposed project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)? Please briefly describe all earth-disturbing work and any work that will affect the air, water, or animal habitat in the project area. Please also explain the impacts of such work on the surrounding environment and any steps that could be taken to minimize the impacts.

The proposed meter replacement project replaces existing infrastructure in a built environment. The project will not cause any impacts to the surrounding environment.

- . Are you aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area? If so, would they be affected by any activities associated with the proposed project?

The proposed project will take place in a built environment. SLVWD is not aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area.

3. Are there wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdiction as “Waters of the United States?” If so, please describe and estimate any impacts the proposed project may have.

There are no wetlands or other surface waters within the footprint of project activities (in the vicinity of where meters will be replaced). There will be no impacts to Waters of the United States.

- . When was the water delivery system constructed?

The San Lorenzo Valley Water District was established in 1941 as an independent special district. SLVWD serves a combined area of approximately 98 square miles (62,749 acres) within the 136 square-mile San Lorenzo River watershed. The District provides service to approximately 7,900 residential, commercial, and institutional connections, serving a population of about 26,000. On SLVWD-owned lands, there are five municipal buildings, 55 water tanks, nine water intakes, seven wells, 32 pumping stations, over 190 miles of pipeline, and a variety of miscellaneous water supplying structures.

The District relies on both surface water and groundwater resources, including nine currently active stream diversions, one groundwater spring, and eight active groundwater wells. The District owns, operates, and maintains two independent water systems supplied by separate water sources – the North/South System (or San Lorenzo Valley System) and the Felton System. These sources are derived solely from rainfall within the San Lorenzo River watershed.

The North/South System service area includes the unincorporated communities of Boulder Creek, Brookdale, Ben Lomond, Mañana Woods, Lompico and portions of the City of Scotts Valley and adjacent unincorporated neighborhoods. On June 1, 2016, the Lompico service area was annexed into the North/South System. The Lompico County Water District was formed in 1963 by the community of Lompico Canyon, adjacent to the SLVWD service area boundary.

The Felton System includes the town of Felton and adjacent unincorporated areas. Since 1889, private water companies have provided water service in Felton. In 1962, the stock of the Felton Water Company was acquired by Citizens Utilities of California (Citizens). Citizens operated the Felton system until January 2002, when all its assets were purchased by California American Water (CalAm). The Felton System was acquired by SLVWD from CalAm in September 2008.

- . Will the proposed project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)? If so, state when those features were constructed and describe the nature and timing of any extensive iterations or modifications to those features completed previously.

The proposed project will not result in any modification of or effects to individual features of an irrigation system.

6. Are any buildings, structures, or features in the irrigation district listed or eligible for listing on the National Register of Historic Places? A cultural resources specialist at your local Reclamation office or the State Historic Preservation Office can assist in answering this question.

There are no buildings, structures, or features in the project area listed or eligible for listing on the National Register of Historic Places.

7. Are there any known archeological sites in the proposed project area?

There are no known archaeological sites in the proposed project area.

8. Will the proposed project have a disproportionately high and adverse effect on low income or minority populations?

The proposed project will not have a disproportionately high or adverse effect on low-income or minority populations.

9. Will the proposed project limit access to and ceremonial use of Indian sacred sites or result in other impacts on tribal lands?

The proposed project will not limit access to, or ceremonial use of, Indian sacred sites or result in other impacts on Tribal lands.

10. Will the proposed project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area?

The proposed project will not contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species.

IV. Required Permits or Approvals

No permits or approvals are required for this project.

V. Letters of Support

Letters of support for the proposed project are attached from the following agencies, organizations, and elected officials in Appendix A:

1. Senator John Laird, 17th California Senate District
2. Assemblymember Mark Stone, 29th California Assembly District
3. Supervisor Bruce McPherson, County of Santa Cruz Board of Supervisors, 5th District
4. Sierra Ryan, Water Resources Manager, County of Santa Cruz Environmental Health Division
5. Rosemary Menard, Water Director, City of Santa Cruz
6. Piret Harmon, General Manager, and Ruth Stiles, Board President, Scotts Valley Water District
7. Valentin Lopez, Tribal Chairman, Amah Mutsun Tribal Band
8. Tim Carson, Program Director, Regional Water Management Foundation

VI. Official Resolution

Submittal of this grant application for WaterSMART Small-Scale Water Efficiency Projects grant funds was approved by resolution of the San Lorenzo Valley Water District Board of Directors, Resolution No. 15 (21-22), adopted on April 21, 2022. The resolution is attached on the following pages.

VII. Conflict of Interest Disclosure

The San Lorenzo Valley Water District certifies that no actual or potential conflict of interest exists at the time of submission of this grant application.

VIII. Uniform Audit Reporting Statement

The San Lorenzo Valley Water District was not required to submit a Single Audit report for the most recently closed fiscal year.

**SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 15 (21-22)**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN LORENZO VALLEY WATER DISTRICT OF SANTA
CRUZ COUNTY, STATE OF CALIFORNIA**

WHEREAS, the United States Bureau of Reclamation (“Reclamation”) has a funding program entitled “WaterSMART: Small-Scale Water Efficiency Projects”, and pursuant to this program, Reclamation makes funds available for small-scale water efficiency projects; and

WHEREAS, the San Lorenzo Valley Water District (the “District”) has an approved and budgeted project titled “AMI Water Meter Replacement”; and

WHEREAS, the District is seeking funding assistance from the Small-Scale Water Efficiency Projects grant program to cover a portion of the cost of the AMI Water Meter Replacement Project; and

WHEREAS, Reclamation has directed applicants to include in its application an official resolution adopted by the applicant’s board of directors or governing body verifying 1) the identity of the official with legal authority to enter into an agreement, 2) the board of directors, governing body, or appropriate official who has reviewed and supports the application submitted, 3) the capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan, and 4) that the applicant will work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Lorenzo Valley Water District:

1. Approves the filing of an application for the United States Bureau of Reclamation’s WaterSMART: Small-Scale Water Efficiency Projects Grant Program; and
2. Certifies that the San Lorenzo Valley Water District is fully capable of providing the cost share funding specified in the funding plan; and
3. Authorizes and directs the District Manager to serve as the District’s point of contact and signatory for the WaterSMART: Small-Scale Water Efficiency Projects grant application, agreements, and any related documents, to work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement, and to conduct all negotiations and execute and submit all documents that may be necessary for the completion of the aforementioned project.


PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 21st day of April 2022, by the following vote of the members thereof:

AYES: Mahood, Ackemann, Fultz, Hill, Smolley

NOES:

ABSTAIN:

ABSENT:


Holly Hossack, District Secretary
San Lorenzo Valley Water District

CAPITOL OFFICE
1021 O STREET, SUITE 8720
SACRAMENTO, CA 95814
TEL (916) 651-4017
FAX (916) 651-4917

MONTEREY DISTRICT OFFICE
99 PACIFIC STREET, SUITE 575-F
MONTEREY, CA 93940
TEL (831) 657-6315
FAX (831) 657-6320

SAN LUIS OBISPO DISTRICT OFFICE
1026 PALM STREET, SUITE 201
SAN LUIS OBISPO, CA 93401
TEL (805) 549-3784
FAX (805) 549-3779

SANTA CRUZ DISTRICT OFFICE
701 OCEAN STREET, SUITE 318A
SANTA CRUZ, CA 95060
TEL (831) 425-0401
FAX (831) 425-5124

SANTA CLARA COUNTY SATELLITE OFFICE
TEL (408) 847-6101

California State Senate

SENATOR
JOHN LAIRD

SEVENTEENTH SENATE DISTRICT



COMMITTEES

BUDGET SUBCOMMITTEE #1
(EDUCATION)
CHAIR
JOINT LEGISLATIVE AUDIT
VICE CHAIR
APPROPRIATIONS
BUDGET & FISCAL REVIEW
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& RETIREMENT
NATURAL RESOURCES & WATER
RULES
JOINT LEGISLATIVE
COMMITTEE ON RULES

April 22, 2022

WaterSMART Small-Scale Water Efficiency Projects Grant Program
United States Bureau of Reclamation

Re: Support for San Lorenzo Valley Water District WaterSMART Small-Scale Water Efficiency Projects Grant Application: AMI Water Meter Replacement Project

To Whom It May Concern:

I am writing this letter to express my strong support for the San Lorenzo Valley Water District's Small-Scale Water Efficiency Projects grant application to reduce demand as part of their strategy to improve water efficiency and develop sustainable drinking water supplies by implementing advanced metering infrastructure. My collective experience as a former State Assembly Member and as the Secretary of the Natural Resources Agency under Governor Brown's Administration has given me a long history of work toward such efforts to improve water efficiency.

The San Lorenzo Valley Water District (District) supplies water to approximately 26,000 customers in the Santa Cruz mountains. The District relies entirely on local supplies from surface and groundwater sources. These sources are derived solely from rainfall within the San Lorenzo River watershed and are therefore highly susceptible to the impacts of drought.

The District has been actively pursuing demand management measures to improve water supply reliability and to increase drought resiliency. Advanced metering is an important step to achieving its demand management goals. The proposed AMI Water Meter Replacement Project will enable the District to upgrade approximately 600 customer meters. The project will result in significant water savings by reducing property-side water leakage and by motivating customers to improve their water conservation efforts. The project will increase water system efficiency by reducing water treatment needs and will help reduce the impacts of climate change through energy savings in water production and distribution as well as reduced carbon emissions resulting from fewer truck rolls required for meter reads.

Santa Cruz County, along with the San Lorenzo Valley Water District and Scotts Valley Water District, is a participating member of the Groundwater Sustainability Agency for the Santa Margarita Groundwater Basin. The Basin is an important source of drinking water for the Scotts Valley and San Lorenzo Valley Water Districts. Additionally, the groundwater table influences the surface water in the San Lorenzo River, a primary drinking water source for the city of Santa Cruz and a home to endangered species. The Basin aquifers and surface water sources are vulnerable to drought due to the reliance on rainfall for recharge and flows. The proposed AMI Water Meter Replacement Project will support groundwater sustainability as well as efforts to achieve improved water supply sustainability for the Santa Cruz County region.

For these reasons, I strongly support the District's WaterSMART Small-Scale Water Efficiency Projects grant application to improve local water supply reliability. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "John Laird". The signature is written in a cursive style with a large, looped initial "J".

John Laird
Senator, 17th District

COMMITTEES
BANKING AND FINANCE
BUDGET
BUDGET SUBCOMMITTEE NO. 5 ON
PUBLIC SAFETY
HUMAN SERVICES
NATURAL RESOURCES

SELECT COMMITTEES
CHAIR, COASTAL PROTECTION AND
ACCESS TO NATURAL RESOURCES
VICE CHAIR, JOINT COMMITTEE ON
FISHERIES AND AQUACULTURE



STATE CAPITOL
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SACRAMENTO, CA 94249-0029
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FAX (916) 319-2129

DISTRICT OFFICES
701 OCEAN STREET, ROOM 318B
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FAX (813) 425-2570

99 PACIFIC STREET, SUITE 575G
MONTEREY, CA 93940
(831) 649-2832
FAX (831) 649-2935

April 22, 2022

WaterSMART Small-Scale Water Efficiency Projects Grant Program
United States Bureau of Reclamation

Re: Support for San Lorenzo Valley Water District WaterSMART Small-Scale Water Efficiency Projects Grant Application: AMI Water Meter Replacement Project

To Whom It May Concern:

I am writing to express my support for the San Lorenzo Valley Water District's (District) Small-Scale Water Efficiency Projects grant application. The AMI Water Meter Replacement Project (Project) will reduce demand as part of the strategy to improve water efficiency and to develop sustainable drinking water supplies by implementing advanced metering infrastructure.

Central Coast communities have struggled with a limited supply of water for decades. The District supplies water to approximately 26,000 customers in the Santa Cruz Mountains, relying entirely on local supplies from surface water and groundwater sources. Highly susceptible to impacts of drought, these sources are derived solely from rainfall within the San Lorenzo River watershed.

The County of Santa Cruz, the San Lorenzo Valley Water District, and the Scotts Valley Water District are participating members of the Groundwater Sustainability Agency for the Santa Margarita Groundwater Basin. The Basin is an important source of drinking water for these water districts. Additionally, the groundwater table influences surface water levels in the San Lorenzo River, a primary drinking water source for the City of Santa Cruz and a home to endangered species. The proposed Project will support efforts to achieve improved water supply sustainability for the Santa Cruz County region.

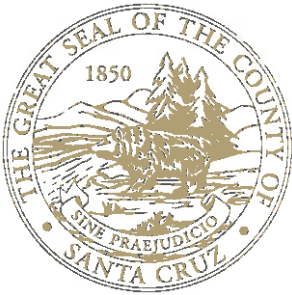
Actively pursuing demand management measures to improve water supply reliability and to increase drought resiliency, the District has identified advanced metering as an important step toward achieving these goals. The Project will enable the District to upgrade approximately 600 customer meters with this technology, thereby resulting in significant water savings by minimizing property-side water leakage and by motivating customers to improve their water conservation efforts. The Project will expand energy efficiency through the reduction of water treatment needs, water production and distribution, and vehicle miles for meter reads. Addressing the needs of residents and adapting to the impacts of climate change are essential to the region, and this Project offers a substantial path forward.

Thank you for your consideration of this worthy project. Please feel free to contact me at (831) 425-1503 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Mark Stone". The signature is written in a cursive, flowing style.

Mark Stone
Assemblymember, 29th 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/TTY - Call 711

MANU KOENIG
FIRST DISTRICT

ZACH FRIEND
SECOND DISTRICT

RYAN COONERTY
THIRD DISTRICT

GREG CAPUT
FOURTH DISTRICT

BRUCE MCPHERSON
FIFTH DISTRICT

April 19, 2022

WaterSMART Small-Scale Water Efficiency Projects Grant Program
United States Bureau of Reclamation

Re: Support for San Lorenzo Valley Water District WaterSMART Small-Scale Water Efficiency Projects Grant Application: AMI Water Meter Replacement Project

To Whom It May Concern:

This letter is to express support for the San Lorenzo Valley Water District's Small-Scale Water Efficiency Projects grant application to reduce demand as part of their strategy to improve water efficiency and develop sustainable drinking water supplies by implementing advanced metering infrastructure.

The San Lorenzo Valley Water District (District) supplies water to approximately 26,000 customers in the Santa Cruz Mountains. The District relies entirely on local supplies from surface water and groundwater sources. These sources are derived solely from rainfall within the San Lorenzo River watershed and are therefore highly susceptible to impacts of drought.

The District has been actively pursuing demand management measures to improve water supply reliability and increase drought resiliency. Advanced metering is an important step toward achieving demand management goals. The proposed AMI Water Meter Replacement Project will enable the District to upgrade approximately 600 customer meters. The project will result in significant water savings by reducing property-side water leakage and motivating customers to improve their water conservation efforts. The project will increase water system efficiency by reducing water treatment needs and will help reduce impacts of climate change through energy savings in water production and distribution as well as reduced carbon emissions resulting from fewer truck rolls required for meter reads.

Page 2

RE: WATERSMART PROJECTS GRANT APPLICATION

April 19, 2022

The County of Santa Cruz, along with the San Lorenzo Valley Water District and Scotts Valley Water District, is a participating member of the Groundwater Sustainability Agency for the Santa Margarita Groundwater Basin. The Basin is an important source of drinking water for the Scotts Valley and San Lorenzo Valley Water Districts.

Additionally, the groundwater table influences the surface water in the San Lorenzo River, a primary drinking water source for the City of Santa Cruz and a home to endangered species. The Basin aquifers and surface water sources are vulnerable to drought due to the reliance on rainfall for recharge and flows. The proposed AMI Water Meter Replacement Project will support groundwater sustainability as well as efforts to achieve improved water supply sustainability for the Santa Cruz County region.

I strongly support the District's WaterSMART Small-Scale Water Efficiency Projects grant application to improve local water supply reliability.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce McPherson". The signature is fluid and cursive, written in a professional style.

BRUCE MCPHERSON, Supervisor
Fifth District

BM:cs



WATER DEPARTMENT

212 Locust Street, Suite A, Santa Cruz, CA 95060 ♦ 831-420-5200 ♦ www.cityofsantacruz.com

April 19th, 2022

WaterSMART Small-Scale Water Efficiency Projects Grant Program
United States Bureau of Reclamation

Re: Support for San Lorenzo Valley Water District WaterSMART Small-Scale Water Efficiency Projects Grant Application: AMI Water Meter Replacement Project

To Whom It May Concern:

This letter is to express support for the San Lorenzo Valley Water District's Small-Scale Water Efficiency Projects grant application to reduce demand as part of their strategy to improve water efficiency and management of sustainable drinking water supplies by implementing advanced metering infrastructure.

The San Lorenzo Valley Water District (District) supplies water to approximately 26,000 customers in the Santa Cruz mountains. The District relies entirely on local supplies from surface water and groundwater sources. These sources are derived solely from rainfall within the San Lorenzo River watershed, and are therefore highly susceptible to impacts of climate variability and drought.

The District has been actively pursuing demand management measures to improve water supply reliability and to increase drought resiliency. Advanced metering is an important step to achieving its demand management goals. The proposed AMI Water Meter Replacement Project will enable the District to upgrade approximately 600 customer meters. These projects result in water savings by alerting customers about property-side water leakage and encouraging water conservation efforts. Ancillary benefits of this project reduced demands is reduced water treatment and associated energy use and emissions.

The City of Santa Cruz is a stakeholder and active participant in Groundwater Sustainability Agency for the Santa Margarita Groundwater Basin. This Basin is an important direct source of drinking water for the Scotts Valley and San Lorenzo Valley Water Districts, and also supports the San Lorenzo River, a drinking water source for the City of Santa Cruz. The Basin and surface water sources are vulnerable to drought due to the reliance on rainfall for recharge and flows. The proposed Water Meter Replacement Project and resulting water savings will support groundwater sustainability as well as efforts to achieve improved water supply sustainability for the Santa Cruz County region.

The City of Santa Cruz supports the District's WaterSMART Small-Scale Water Efficiency Projects grant application to improve local water supply reliability.

Sincerely,

Rosemary Menard
Water Director



Subject: Support for S VWD WaterSMART Grant Application
Date: April 18, 2022
Page 2

Reclamation to award grant funding to the San Lorenzo Valley Water District for its WaterSMART Small-Scale Water Efficiency Projects grant application.

Sincerely,

DocuSigned by:
Ruth Stiles
89A644E3E1C1401...

Ruth Stiles
SVWD Board President

DocuSigned by:
Piret Harmon
1C238EFF40B44D1...

Piret Harmon
SVWD General Manager

April 22, 2022

WaterSMART Small-Scale Water Efficiency Projects Grant Program
United States Bureau of Reclamation

Re: Support for San Lorenzo Valley Water District's WaterSMART Small-Scale Water Efficiency Projects Grant Application, AMI Water Meter Replacement Project

To Whom It May Concern:

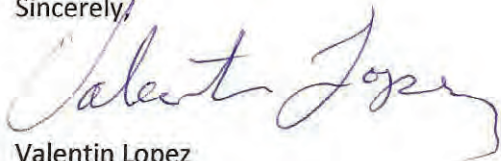
I write to voice support for the Small-Scale Water Efficiency Projects grant proposal submitted by the San Lorenzo Valley Water District to help reduce demand as part of a long-term strategy to ensure reliable and sustainable water supplies. As Native people working to restore Indigenous stewardship and support sustainable practices in the territories of our ancestors (including the Awaswas-speaking Uypi Tribe that inhabited lands within the San Lorenzo River watershed), the proposed project is well aligned with the conservation objectives and guiding values of the Amah Mutsun Tribal Band.

The San Lorenzo Valley Water District provides drinking water to approximately 26,000 customers. This water is locally sourced and is comprised largely of surface waters that are crucial not just to the human population but also to many other living beings, both plants and wildlife. Water savings occurring as a result of this program will thus benefit a variety of ecosystems and their diverse inhabitants through lessened human demand. The region is also highly susceptible to drought and other threats of a changing climate, and this program will support long-term resilience to these impacts for human use and broader environmental needs.

The proposed AMI meter replacement project will provide water savings and help the San Lorenzo Valley Water District meet its demand management goals. Recognizing the vital role of clean and sufficient water to all life and wellbeing, the Amah Mutsun Tribal Band strongly supports this approach to conserving water and promoting the health of local environments and communities for generations to come.

Thank you for considering this important proposal.

Sincerely,



Valentin Lopez
Tribal Chairman
Amah Mutsun Tribal Band