



Water Department

Water Commission Agenda

Regular Meeting

7:00 p.m. – Monday, April 2, 2012

Council Chambers

809 Center Street Santa Cruz

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, please attend the meeting fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment, please call Water Administration at 831-420-5200 at least five days in advance so that arrangement can be made. The Cal-Relay system number: 1-800-735-2922.

Call to Order

Roll Call

Presentation *Organized groups may make presentations to the Water Commission. Presentations that require more than three minutes should be scheduled in advance with Water Department staff.*

Statements of Disqualification *Section 607 of the City Charter states that “...All members present at any meeting must vote unless disqualified, in which case the disqualification shall be publicly declared and a record thereof made.”*

The City of Santa Cruz has adopted a Conflict of Interest Code, and Section 8 of that Code states that no person shall make or participate in a governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect distinguishable from its effect on the public generally.

Oral Communications No action shall be taken on this item.

Announcements No action shall be taken on this item.

Approval of Minutes ☆ (Pages 4-8)

Recommendation: Motion to approve the March 5, 2012 Water Commission minutes.

Consent Agenda (Pages 9-10)

Items on the consent agenda are considered to be routine in nature and will be acted upon in one motion. Specific items may be removed by members of the advisory body or public for separate consideration and discussion.

1. Three-month Calendar ☆ (accept info) (Page 9)
2. City Council Actions Affecting Water ☆ (accept info) (Page 10)

Items Removed from the Consent Agenda

General Business (Pages 11-22)

Any document related to an agenda item for the General Business of this meeting distributed to the Water Commission less than 72 hours before this meeting is available for inspection at the Water Administration Office, 212 Locust Street, Suite A, Santa Cruz, California. These documents will also be available for review at the Water Commission meeting with the display copy at the rear of the Council Chambers.

1. Fiscal Policy - Status Update ☆ (Page 11-13b)

Recommendation: That the Water Commission receive the status update.

1. Final Water Supply Outlook Report for 2012 ☆ (Page 14-22)

Recommendation: That the Water Commission receive the final Water Supply Outlook Report for 2012 and recommend that Council adopt an emergency ordinance declaring a Stage One Water Shortage Alert.

Subcommittee/Advisory Body Oral Reports No action shall be taken on this item.

1. City of Santa Cruz/Soquel Creek Water District Desalination Task Force (Schiffrin)

Director's Oral Report No action shall be taken on this item.

1. Monthly Status of Water Supply
2. Desalination Program

Informational Items (Pages 23-44) No action shall be taken on this item.

1. News Article – Good Times SC 02/28/12 ☆ (Page 23-24)
2. News Article – Santa Cruz Weekly 02/28/12 ☆ (Page 25)
3. News Article – Santa Cruz Weekly 02/28/12 ☆ (Page 26-27)
4. News Article – Santa Cruz Sentinel 02/28/12 ☆ (Page 28-29)
5. News Article – Santa Cruz Sentinel 02/28/12 ☆ (Page 30)
6. News Article – Santa Cruz Sentinel 03/02/12 ☆ (Page 31-32)
7. News Article – Capitola Soquel Times 03/05/12 ☆ (Page 33-35)
8. News Article – Santa Cruz Sentinel 03/06/12 ☆ (Page 36-37)
9. News Article – Santa Cruz Sentinel 03/07/12 ☆ (Page 38-40)
10. News Article – Santa Cruz Sentinel 03/12/12 ☆ (Page 41)
11. News Article – Santa Cruz Sentinel 03/13/12 ☆ (Page 43)
12. News Article – Santa Cruz Sentinel 03/21/12 ☆ (Page 44)

Items Initiated by Members for Future Agendas

Adjournment The next meeting of the Water Commission is scheduled for May 7, 2012 at 7:00 p.m. in Council Chambers.

☆Denotes written materials included in packet

APPEALS - Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk.

Other - Appeals must be received by the City Clerk within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.



**Water Commission
Minutes
7:00 p.m. – Monday, March 5, 2012
Council Chambers
809 Center Street Santa Cruz**

Draft Minutes of a Water Commission

Call to Order Chair D. Meyers called the meeting to order at 7:00 p.m. in Council Chambers

Roll Call

Present: D. Baskin, B. Fouse, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

Absent: None.

Staff: L. Almond, Deputy Water Director/Engineering Manager; T. Goddard, Water Conservation Manager; P. Harmon, Principal Management Analyst; B. Kocher Water Director; H. Luckenbach, Desalination Program Coordinator; A. Martin, Environmental Projects Analyst; S. O’Hara, Assistant Engineer; D. Paul, Administrative Assistant and L. Tolles, Management Analyst.

Presentation There were no presentations.

Statements of Disqualification There were no statements of disqualification.

Oral Communications

Oral Communications were made by Commissioner Schiffrin reporting that he had been contacted about doing a water survey being conducted.

Water Director Kocher provided information on the iPad survey being conducted by Civinomics on behalf of the scwd² Desalination Program.

Announcements There were no announcements.

Approval of Minutes

Commissioner D. Baskin moved approval of the February 6, 2012 Water Commission minutes as submitted. Commissioner A. Schiffrin seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

Consent Agenda

The following items were pulled for discussion:

- 3. Water Commission Packet Delivery.

4. Revised Water Supply Outlook Report for 2012.
5. Ballot Initiatives (2).
6. Proposed Water Conservation Strategy and Program to address Potential Future Increase in Water Demand at the University of California, Santa Cruz.
7. Water Supply Project Recommendation on Net Carbon Neutral.
8. Guidelines for Maintenance vs. Capital Improvement Projects.

Commissioner A. Schiffrin moved the Consent Agenda as amended. Commissioner W. Wadlow seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

Items Removed from the Consent Agenda

3. Water Commission Packet Delivery

Commissioner A. Schiffrin moved to accept the staff recommendation to move the packet distribution up one day – Commissioners will receive the meeting packet by 5:00 p.m. on Wednesday prior to the Monday meeting. Commissioner B. Fouse seconded.

VOICE VOTE: MOTION CARRIED

AYES: B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow

NOES: D. Baskin.

4. Revised Water Supply Outlook Report for 2012

Water Conservation Manager Goddard and Water Director Kocher provided the staff report and responded to Commission questions.

Commissioner A. Schiffrin moved to accept the Revised Water Supply Outlook Report for 2012 as submitted. Commissioner D. Baskin seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow

NOES: None.

5. Ballot Initiatives (2)

Commissioner Mead reported that he asked for this item to be pulled to ask that staff provide an update of what has happened since Council introduced the Ordinance for publication requiring voter approval for desalination plant construction.

Water Director Kocher reported that it was his understanding that Mayor Lane was working with Santa Cruz Desal Alternatives to better understand why its wants to put a measure on the ballot

in November that secures the right of the public to a future vote. The natures of the discussions revolve around how to avoid two elections, when the election would occur and how the terms would be structured.

Orals comments were made by S. Pleich, representing Santa Cruz Desal Alternative and the Right to Vote on Desalination.

Commissioner A. Schiffrin moved that the Water Commission recommend to Council that it adopts the ordinance adding Chapter 16.10 to the Santa Cruz Municipal Code which require voter approval for desalination plant construction and to express its support as the preferred direction to allow the community the opportunity to vote for approval of desalination plant construction and also to express the Water Commission opinion that this ordinance would negate the need for the ballot initiative and to urge its proponents to respect the decisions made by Council in this matter and recognize that the ordinance as proposed is essentially as substantive the same as being proposed in the initiative and should seriously consider dropping the initiative to save the voters time the City money. Commissioner M. McClellan seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

6. Proposed Water Conservation Strategy and Program to address Potential Future Increase in Water Demand at the University of California, Santa Cruz.
7. Water Supply Project Recommendation on Net Carbon Neutral.
8. Guidelines for Maintenance vs. Capital Improvement Projects.

Commissioner A. Schiffrin moved to accept Consent Agenda items 6, 7, and 8. Commissioner D. Baskin seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

General Business

1. Residential/Commercial Baseline Survey – Mid-point Status Report (Oral))

Water Conservation Manager Goddard and Environmental Projects Analyst provided the staff report and responded to Commission questions. The PowerPoint presentation will be included in original papers.

Commission Comments

Concern was expressed that the new conservation plan is on hold until the baseline survey is complete. The City is under scrutiny from the Santa Cruz Desal Alternatives group who is

claiming that additional water conservation measures are available that would make a desalination plant unnecessary.

It was also expressed that we have an adopted Water Conservation Plan and this study will validate how the current programs are working. It will also let us know what potential conservation is still remaining out there.

Commissioner A. Schiffrin moved to request that staff provide another status report at the June Water Commission meeting. Commissioner W. Wadlow seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

2. scwd² Energy Status Report

Desalination Program Coordinator Luckenbach and Assistant Engineer O'Hara presented the Energy Study Status Report and responded to Commission questions. The PowerPoint presentation will be included in the original papers.

The Commission expressed concern that the scwd² Desalination Task Force continues to move forward before it has determined a cost share for operating and other associated costs.

Director Kocher reported that the capital and operating cost can share can be brought to the Commission.

Commissioner A. Schiffrin moved to support the staff recommendation that the project be designed and operated with no net increase with regards to its direct and indirect greenhouse gas emissions. Commissioner D. Baskin seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

3. Capital Improvement Program Three year Outlook

Commissioner A. Schiffrin moved to recommend that Council approval Water Department Fiscal Year 2013-2015 Capital Improvement Program. Commissioner D. Baskin seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, M. McClellan, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

4. Fiscal Policy - Status Update

The Fiscal Policy Status update was postponed until the April 2, 2012 meeting.

Subcommittee/Advisory Body Oral Reports

1. City of Santa Cruz/Soquel Creek Water District Desalination Task Force

Commissioner Schiffrin reported that the Energy Study was the major item of business at the February meeting.

Director's Oral Report

1. Monthly Status of Water Supply There was nothing further to report.
2. Desalination Program

Director Kocher reported that the draft EIR schedule has slipped and is expected to be released this summer.

Informational Items No action was taken on this item.

1. News Article – Santa Cruz Sentinel 02/02/12
2. News Article – City on the Hill Press 02/03/12
3. News Article – Santa Cruz Sentinel 02/03/12
4. News Article – Santa Cruz Sentinel 02/05/12
5. News Article – Santa Cruz Sentinel 02/12/12
6. News Article – Santa Cruz Sentinel 02/15/12
7. News Article – Santa Cruz Sentinel 02/14/12
8. News Article – Santa Cruz Weekly 02/21/12
9. News Article – Santa Cruz Sentinel 02/21/12
10. News Article – Central Coast News 02/22/12
11. News Article – Santa Cruz Sentinel 02/26/12
12. News Article – Santa Cruz Sentinel 02/27/12

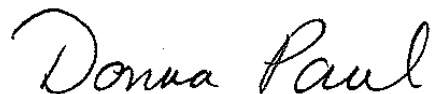
Items Initiated by Members for Future Agendas

Water Director Kocher reported that the Association of California Water Agencies (ACWA) will be holding its spring conference in Monterey May 8 through May 11. Commissioners were provided the conference program and were asked to contact staff if they are interested in attending.

Adjournment

The meeting adjourned at 10:05 p.m. until the next meeting of the Water Commission scheduled for April 2, 2012 at 7::00 p.m. in Council Chambers.

Respectfully submitted,



Staff



WATER COMMISSION REPORT

DATE: April 2, 2012
TO: Water Commission
FROM: Water Director
SUBJECT: Following is a tentative list of future agenda items.

May 2012
(05-07-11)

- Main Replacement Criteria
- City Water Rights Update

June 2012
(06-04-12)

- Residential/Commercial Baseline Survey – Status Report

Future Meetings

- Fiscal Policy - Status Update
- Final Capital Improvement Program
- Habitat Conservation Plan/Conservation Strategy



WATER COMMISSION REPORT

DATE: April 2, 2012
TO: Water Commission
FROM: Water Director
SUBJECT: City Council Items Affecting Water

City Council Meeting of March 13, 2012:

Ordinance No. 2012-03 - City of Santa Cruz Voter Approval for Desalination Plant Construction – Addition to Santa Cruz Municipal Code Chapter 16 Requiring Voter Approval for Desalination Plant Construction Following Completion of Required Environmental Analyses

Ordinance 2012-03 was passed for final adoption.

Vacation of Water Pipeline Easement - 1255 and 1201 Shaffer Road (APN 003-321-04 and 003-321-05)

Resolution No. NS-28,462 was adopted to vacate a water pipeline easement at 1225 and 1201 Shaffer Road (APN 003-321-04 and 003-321-05) granted by Walti-Schilling Company in 1962.

Water Department FYI 048 -- Revised Water Supply Outlook for 2012 2/28/12

City Council Meeting of March 27, 2012:

Water Supply Project – Independent Technical Advisor – Contract Amendment No. 5

Motion carried authorizing the City Manager to execute Contract Amendment No. 5 in a form acceptable to the City Attorney with Kennedy/Jenks Consultants of San Francisco, CA for services of Independent Technical Advisor to the scwd2 Seawater Desalination Program.

Bay Street Reservoir Replacement Project, Phase 2 -- Inspection, Testing, and Construction Management Consulting Services

Motion carried authorizing the City Manager to execute an agreement with Consolidated CM, Inc. (Oakland, CA) in the amount of \$1,159,044 for Inspection, Testing, and Construction Management Consulting Services for the Bay Street Reservoir Replacement Project - Phase 2.



WATER DEPARTMENT MEMORANDUM

DATE: April 2, 2012
TO: Water Commission
FROM: Piret Harmon, Principal Management Analyst
SUBJECT: Fiscal Policy – Summary review and status

RECOMMENDATION: Receive information.

BACKGROUND: At the Water Commission's meeting of May 2, 2011 staff presented Fiscal Impact Scenarios to start a discussion on long-term Capital Improvement Program (CIP) projection levels and the impact of various possible funding options.

At the June 6, 2011 meeting a second iteration of Fiscal Impact Scenarios was reviewed and discussed with a focal point on the following major areas:

- 1) Solution for addressing inflationary increases in operating expenditures
- 2) Preferred funding for Desalination Project (debt, rate increases, combination)
- 3) Optimum level of CIP averaged over next 10-year period
- 4) Preferred funding for CIP (debt, rate increases, combination)

At the August 22, 2011 meeting staff presented a list of parameters that could be used as foundation for developing a Fiscal Policy. The policy outlines the financial strategy for the Water Department and establishes clearly defined principles that are sustainable and responsive to the changing circumstances and economic conditions. Staff also introduced a notion of separating Fund 711 (the main accounting fund that captures revenue from water sales and services) into two parallel accounting entities: one associated with ongoing regular business operations and the other related to the CIP. The new approach offers better understanding of the anticipated trends in operating expenditures and its impact on the fund balance while more objectively presenting the extent and effect of capital projects.

DISCUSSION: At its August meeting the Water Commission formed an ad hoc Fiscal Policy Subcommittee that was comprised of three commissioners and a staff member. The subcommittee met several times analyzing the 10-year projections for operating and capital expenditures recorded in separate funds, discussing fiscal parameters, and developing recommendations for Fiscal Policy implementation strategy and applications.

It is evident that the existing accounting structure where the single primary revenue stream (water rates revenue) supports both, operating and capital expenditures with no established framework, designations or restrictions makes it difficult to perceive the trends, evaluate the impacts, and establish responsive measures for each major expense category.

The Subcommittee recommended a phased approach for formulating the Fiscal Policy and devising the implementation strategy:

- 1) Separate Fund 711 into Operating Fund (OF) and Capital Fund (CF)
- 2) Formulate structure and guidelines for the Operating Fund
- 3) Formulate structure and guidelines for the Capital Fund
- 4) Develop a Fiscal Policy incorporating the recommendations from Step 1, 2, and 3

Attachment A presents a sample scenario of two funds, operating and capital. It displays an estimated fund balance projections for the time period through FY 2021 based on a set of assumptions. Comprehensive analysis is required to design the optimal structure and guiding principles for each fund. Moreover, a clearly articulated framework is crucial to ensure consistency and fairness in allocating revenue streams to various operational and capital uses. Standards in the following areas should be adopted in order to proceed with the detail level work on fund structures:

- Rates and fees – cost recovery
- Revenue earmarking
- Expenditure management
- Minimum working capital requirement
- Reserves – levels, purpose, restrictions
- Debt financing – circumstances, terms

As an ad hoc committee the Fiscal Policy Subcommittee will sunset effective February 22, 2012. Based on the input from the Water Commission, staff will continue work on the Fiscal Policy framework and implementation strategy, and will be sharing the progress and recommendations with the full commission at future meetings.

Attachment: Fund 711 and Fund 715 Fiscal Scenarios

ASSUMPTIONS: FUND 711 OPERATING

WATER SALES BASED ON FLAT CONSUMPTION
 WATER SALES REVENUE SPLIT INTO OP AND CAP FROM FY 2012 ON

VARIABLES: RATE INCREASES FOR OPERATIONAL NEED

RATE INCREASES FOR CAPITAL NEED 3.0%
 DEBT IN FY 2016 - (FUND 711)
 (FUND 715) \$0

INFLATION INDEX - OPERATING EXPENSES 3%

Revised: 2/28/12

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2013 PROJECTED	FY 2014 PROJECTED	FY 2015 PROJECTED	FY 2016 PROJECTED	FY 2017 PROJECTED	FY 2018 PROJECTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	TOTAL FY 2012-2021
Avr Bill	\$38	\$38	\$38	\$40	\$41	\$43	\$44	\$46	\$48	\$50	\$52	\$54	
REVENUES													
WATER SALES & SERVICES	Rate Incr 22,069,887	5% 22,198,371	0% 22,275,000	4% 23,166,000	4% 24,092,640	4% 25,056,346	4% 26,058,599	4% 27,100,943	4% 28,184,981	4% 29,312,380	4% 30,484,876	4% 31,704,271	37% 267,436,036
REVENUES FUND 711-OP													
WATER SALES - OP SHARE	Rate Incr for Operations		0% 17,820,000	3% 18,354,600	3% 18,905,238	3% 19,472,395	3% 20,056,567	3% 20,658,264	3% 21,278,012	3% 21,916,352	3% 22,573,843	3% 23,251,058	204,286,329
OTHER OPERATING REVENUE			1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
INVESTMENT EARNINGS			60,000	76,213	84,833	93,357	101,776	110,082	118,265	118,818	119,117	119,151	1,001,611
TOTAL FUND 711 - OP REVENUE	0	0	18,880,000	19,430,813	19,990,071	20,565,752	21,158,343	21,768,346	22,396,277	23,035,170	23,692,960	24,370,209	215,287,941
EXPENSES FUND 711-OP													
OPERATING EXPENSES	Inflation		18,306,938	3% 18,856,146	3% 19,421,831	3% 20,004,485	3% 20,604,620	3% 21,222,759	3% 21,859,441	3% 22,515,225	3% 23,190,681	3% 23,886,402	209,868,528
DESAL OP COSTS OR HCP FEE			0	0	0	0	0	0	500,000	500,000	500,000	500,000	2,000,000
TOTAL FUND 711 - OP EXPENSES	0	0	18,306,938	18,856,146	19,421,831	20,004,485	20,604,620	21,222,759	22,359,441	23,015,225	23,690,681	24,386,402	211,868,528
CASH BALANCE: FUND 711-OP													
BEGINNING CASH			4,507,809	5,080,871	5,655,538	6,223,778	6,785,045	7,338,767	7,884,354	7,921,190	7,941,136	7,943,414	
NET REVENUE (Op Rev - Op Exp)			573,062	574,667	568,241	561,266	553,723	545,587	36,836	19,946	2,279	(16,192)	
FUND 711-OP BALANCE	0	0	5,080,871	5,655,538	6,223,778	6,785,045	7,338,767	7,884,354	7,921,190	7,941,136	7,943,414	7,927,222	

80% of Water Sales Revenue; leaves 20% of Water Sales Revenue for Capital = 2 x Annual Depr Exp

Working Capital (90 days of op expenses)

ASSUMPTIONS: FUND 711 CAPITAL

WATER SALES BASED ON FLAT CONSUMPTION
 WATER SALES REVENUE SPLIT INTO OP AND CAP FROM FY 2012 ON
 CONSTANT AVERAGE CIP FUNDING LEVEL AFTER FY 2015
 DESALINATION CONSTRUCTION - FY 2016

VARIABLES:

RATE INCREASES FOR OPERATIONAL NEED \$0
 RATE INCREASES FOR CAPITAL NEED 1.0%
 DEBT IN FY 2016 - \$50,000,000 (FUND 711)
 (FUND 715)
 ANNUAL CIP FUNDING (FUND 711) \$7,000,000
 INFLATION INDEX - OPERATING EXPENSES \$0

Revised: 2/28/12

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 PROJECTED	FY 2013 PROJECTED	FY 2014 PROJECTED	FY 2015 PROJECTED	FY 2016 PROJECTED	FY 2017 PROJECTED	FY 2018 PROJECTED	FY 2019 PROJECTED	FY 2020 PROJECTED	FY 2021 PROJECTED	TOTAL FY 2012-2021
Avr Bill	\$38	\$38	\$38	\$40	\$41	\$43	\$44	\$46	\$48	\$50	\$52	\$54	
Debt Pmt Portion	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$7	\$7	\$7	\$7	\$7	
REVENUES													
WATER SALES & SERVICES	22,069,887	22,198,371	22,275,000	23,166,000	24,092,640	25,056,346	26,058,599	27,100,943	28,184,981	29,312,380	30,484,876	31,704,271	267,436,036
REVENUES FUND 711 - CAP													
WATER SALES - CAP SHARE	22,069,887	22,198,371	4,455,000	4,811,400	5,187,402	5,583,950	6,002,032	6,442,679	6,906,969	7,396,028	7,911,033	8,453,212	63,149,707
OTHER OPERATING REVENUE	1,055,007	866,810	0	0	0	0	0	0	0	0	0	0	0
GRANT FUNDING	1,050,593	114,710	0	0	0	0	0	0	0	0	0	0	0
CAPITAL CONTRIB - DESAL	534,724	494,433	687,729	1,402,797	3,148,964	322,014	21,502,614	322,014	322,014	0	0	0	27,708,146
INVESTMENT EARNINGS	426,213	260,778	240,000	478,811	235,770	200,518	78,057	596,942	448,839	310,222	196,020	93,842	2,879,020
LONG-TERM DEBT ISSUED	0	0	0	0	0	0	50,000,000	0	0	0	0	0	50,000,000
TOTAL FUND 711 - CAP REVENUE	25,136,425	23,935,103	5,382,729	6,693,008	8,572,136	6,106,483	77,582,703	7,361,635	7,677,822	7,706,250	8,107,053	8,547,054	143,736,874
EXPENSES FUND 711 - CAP													
OPERATING EXPENSES	18,391,250	18,281,669	0	0	0	0	0	0	0	0	0	0	0
DESALINATION PROJECT	1,429,626	1,317,396	1,375,485	3,421,457	7,680,400	785,400	52,445,400	785,400	785,400	0	0	0	67,278,942
OTHER CAPITAL PROJECTS	5,261,443	2,123,317	7,515,739	14,719,053	3,955,000	9,515,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	77,704,792
DEBT SERVICE - EXISTING	691,318	704,526	704,526	704,526	704,526	704,526	611,526	611,526	611,526	611,526	611,526	611,526	6,487,260
COST TO ISSUE DEBT	0	0	0	0	0	0	750,000	0	0	0	0	0	750,000
NEW BOND PAYMENTS	0	0	0	0	0	0	0	3,901,464	3,901,464	3,901,464	3,901,464	3,901,464	19,507,322
TOTAL FUND 711 - CAP EXPENSES	25,773,637	22,426,908	9,595,750	18,845,036	12,339,926	11,004,926	60,806,926	12,298,390	12,298,390	11,512,990	11,512,990	11,512,990	171,728,316
CASH BALANCE: FUND 711 - CAP													
BEGINNING CASH	29,490,388	28,853,176	28,153,561	23,940,540	11,788,513	8,020,723	3,122,279	19,898,057	14,961,302	10,340,734	6,533,993	3,128,056	
NET REVENUE (Rev - Exp)	(637,212)	1,508,195	(4,213,021)	(12,152,028)	(3,767,790)	(4,898,443)	16,775,777	(4,936,755)	(4,620,568)	(3,806,740)	(3,405,938)	(2,965,936)	
FUND 711 - CAP BALANCE	28,853,176	30,361,370	23,940,540	11,788,513	8,020,723	3,122,279	19,898,057	14,961,302	10,340,734	6,533,993	3,128,056	162,119	

Total Fund 711 balance FY2011 less required beginning balance in 711-OP + \$2.3M from Fund 713



WATER DEPARTMENT MEMORANDUM

DATE: April 2, 2012

TO: Water Commission

FROM: Toby Goddard, Water Conservation Manager

SUBJECT: Water Supply Conditions, Final Estimate of Water Supply Availability for 2012

RECOMMENDATION: That the Water Commission recommend City Council adopt a resolution declaring a Stage 1 Water Shortage Alert for 2012.

This report is the third in a series of three monthly statements summarizing current water conditions and evaluating the City's water supply outlook for 2012. It covers the water year beginning October 1, 2011 through nearly the end of March 2012.

Rainfall: Wet weather finally returned to the central coast in mid-March, boosting the seasonal rainfall total in Santa Cruz by more than 6 inches. Rainfall for the season to date now measures 17.03 inches, or 61 percent of normal. Over 10 inches of rain fell in the Newell Creek watershed since March 1, bringing the seasonal total up to 27.26 inches, also 61 percent of normal for this time of year. Rainfall totals should continue to grow over the next few days, as the National Weather Service is forecasting more stormy weather throughout the central coast region off and on through the end of March. Monthly rainfall totals for the Santa Cruz area are presented in Figure 1.

Runoff: Stream flow in the San Lorenzo River has registered consistently below to well below average from October through the end of February. This trend changed in March. With a few days still remaining in the month, stream flow in the river is running closer to, yet still lower than, normal levels for the first time this year (Figure 2). Note the contrast with the very high stream flows in the river just one year ago.

Reservoir Storage: Loch Lomond Reservoir filled to 100 percent of capacity and began spilling March 17th. March storms added about 80 million gallons of storage to the reservoir. Any further runoff from the Newell Creek watershed into the reservoir this season cannot be stored and simply flows over the spillway, eventually draining into the San Lorenzo River below.

Water Year Classification: The 2012 water year remains classified as "Critically Dry" at the current time. With the recent storms, however, accumulated discharge from the San Lorenzo River more than doubled over the last two weeks and now is within reach of the 29,000 acre-foot

threshold at which point the water year classification would then be upgraded to “Dry” (Figure 3). Cumulative runoff for the year to date is 24,470 acre-feet, which equates to 33 percent of the long-term average amount of runoff from the river for this time of year.

Final Estimate of Water Supply Availability for 2012

All the indicators – except for reservoir storage – point to 2012 as being a low water year. Certainly all the wet weather over the past few weeks has been welcome and marginally helps improve the water supply outlook, but unless the wet weather were to continue for another month or so, which is unlikely, it may be a case of “too little, too late” to restore the City’s water supply conditions to normal.

Figure 4 represents staff’s best estimate at this time as to how the San Lorenzo River will perform into the coming season. Note that stream flow this summer is predicted to run about half the average level between June and September, and may possibly drop below the 12.2 cfs level that the City is authorized to divert downstream at Tait Street.

Compounding the situation is that the City, in a show of good faith toward working with federal and state fishery agencies, voluntarily committed to reoperate the system this year as a trial experiment in a manner that is more protective of the habitat needs of listed fish species. The two diversions most affected are Laguna Creek and the San Lorenzo River. That will mean more flow will need to be released and less water will be diverted from these two sources to varying degrees throughout the 2012 summer season, putting greater pressure on the City’s reservoir storage than would otherwise be the case.

Due to the combination of below normal water conditions and the commitment to make operational changes to protect fisheries, it is staff’s recommendation to implement a Stage 1 Water Shortage Alert beginning May 1, 2012. This action would serve as both a precautionary measure in case dry conditions continue into the next year, and to maintain a heightened level of awareness among customers this year, until more normal water conditions are restored. Stage 1 includes both voluntary and mandatory response measures aimed at achieving a 5 percent demand reduction goal for the season.

Tables 1 and 2 and Figure 5 show forecast reservoir storage at the end of the 2012 dry season given staff’s best estimates of available supply and conservative estimate of demand. With no restrictions in place, the reservoir is forecast to end the season at about 75 percent of capacity. With a 5 percent Water Shortage Alert in effect for the dry season, the goal would be to end the season with about 100 million gallons more in storage than would be the case without such restrictions, or just below 80 percent full.

The City’s Water Shortage Regulations and Restrictions are contained in the Santa Cruz Municipal Code Chapter 16.01, and are put into effect by a resolution of the City Council for the period of time set forth in the resolution.

Attachment: Figures 1-5
Table 1-2

Figure 1. Monthly Rainfall, City of Santa Cruz

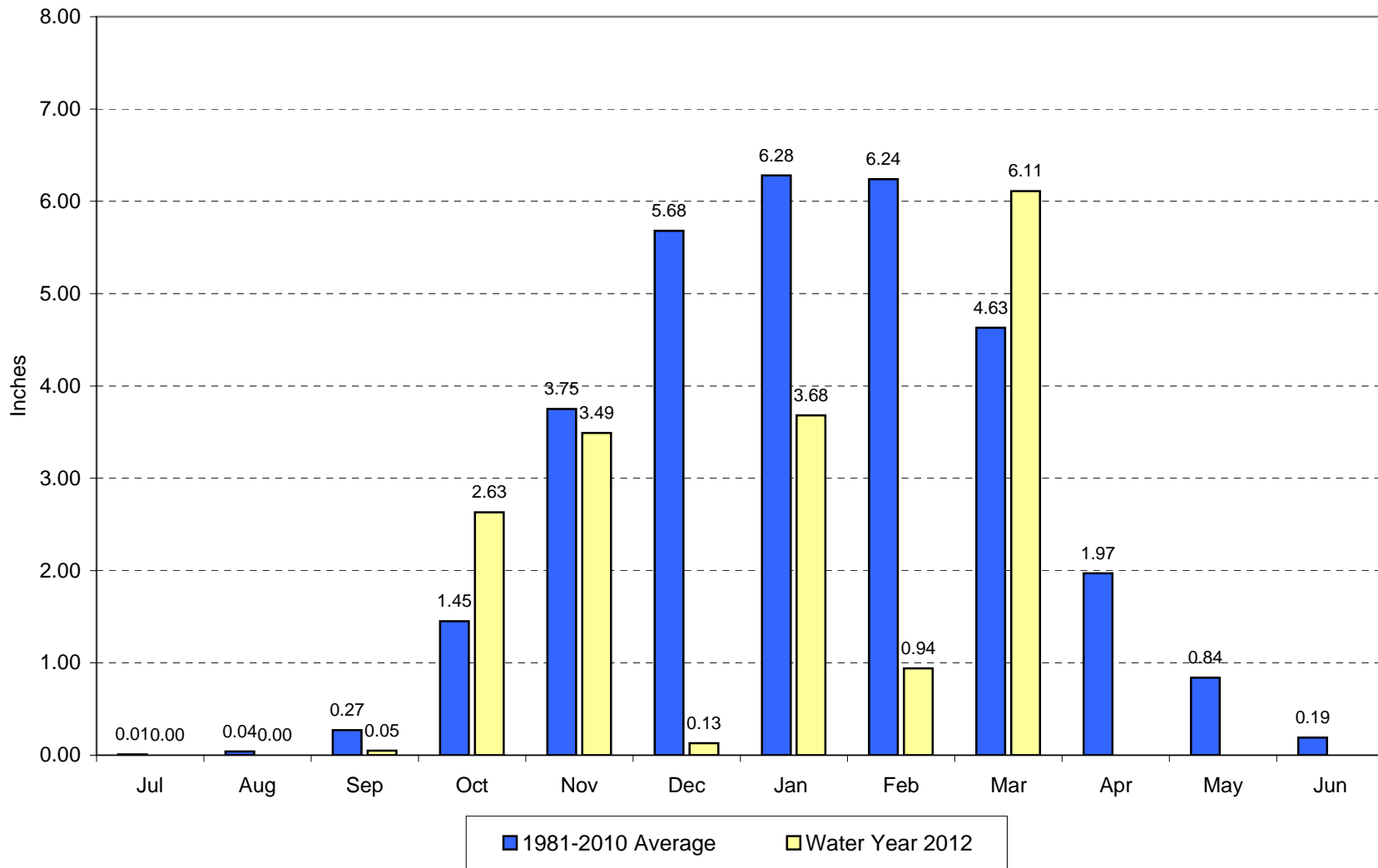


Figure 2. Streamflow in the San Lorenzo River

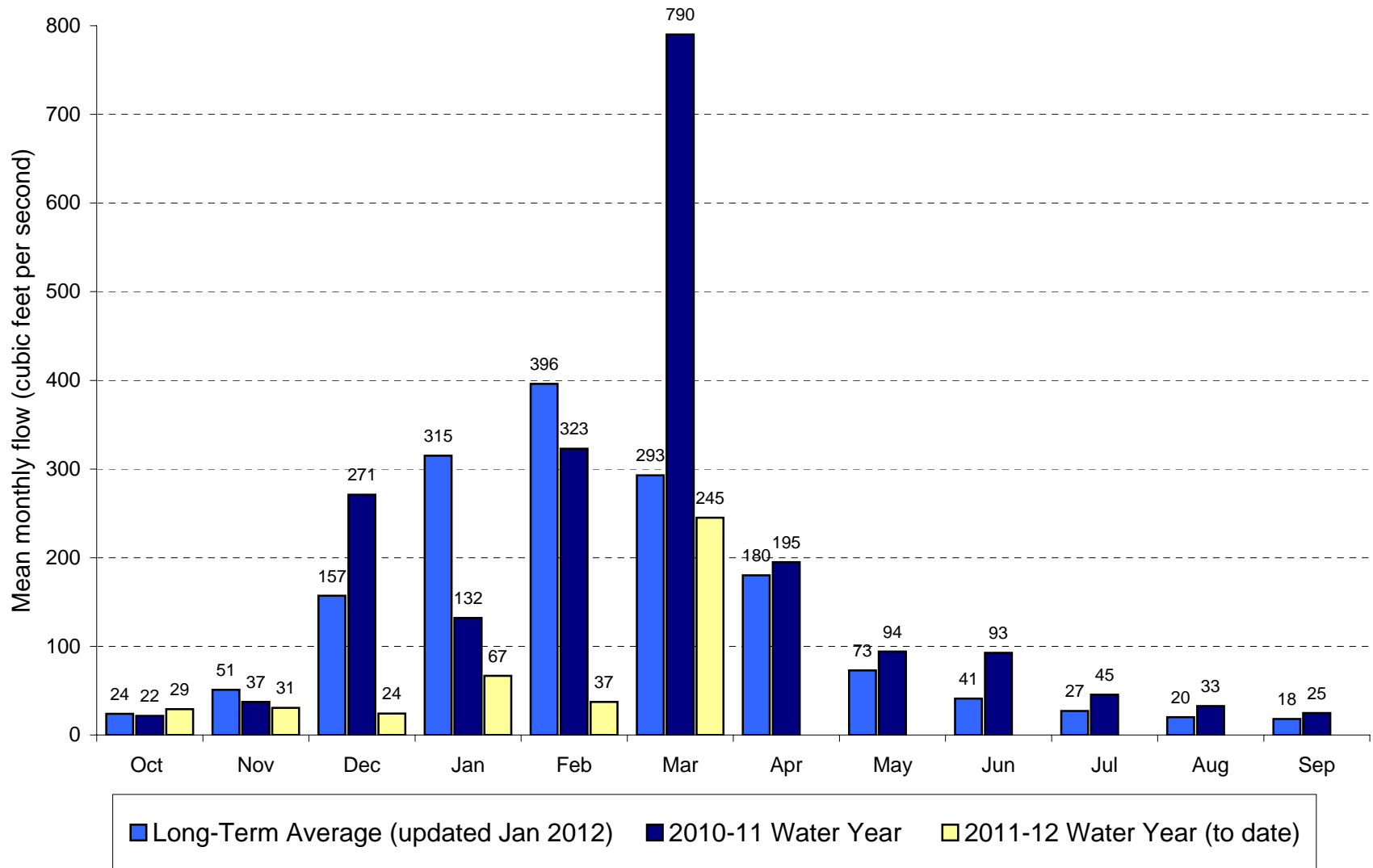


Figure 3. Cumulative Runoff and Water Year Classification, 3/26/12

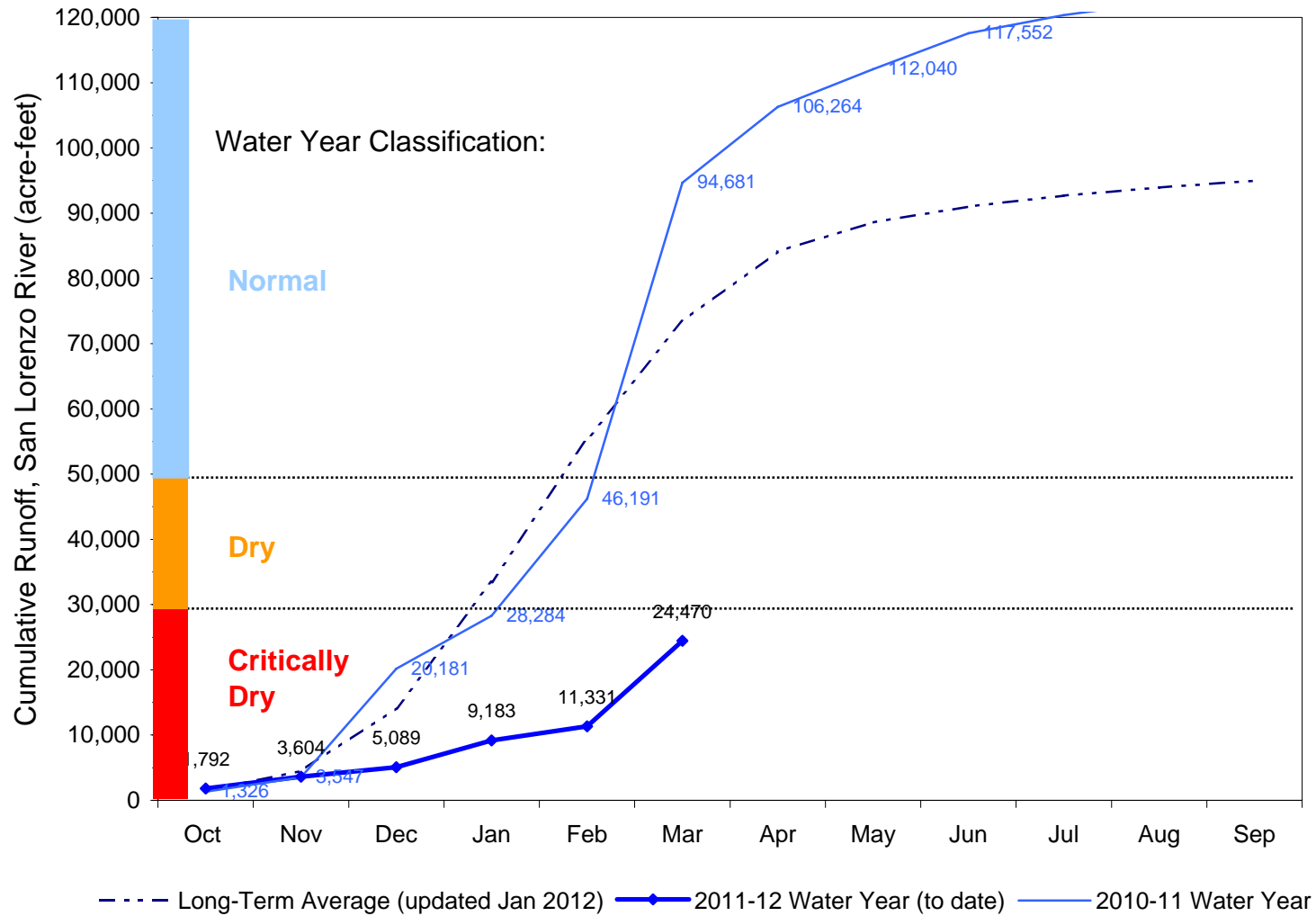


Figure 4. Predicted Streamflow in the San Lorenzo River, 2012

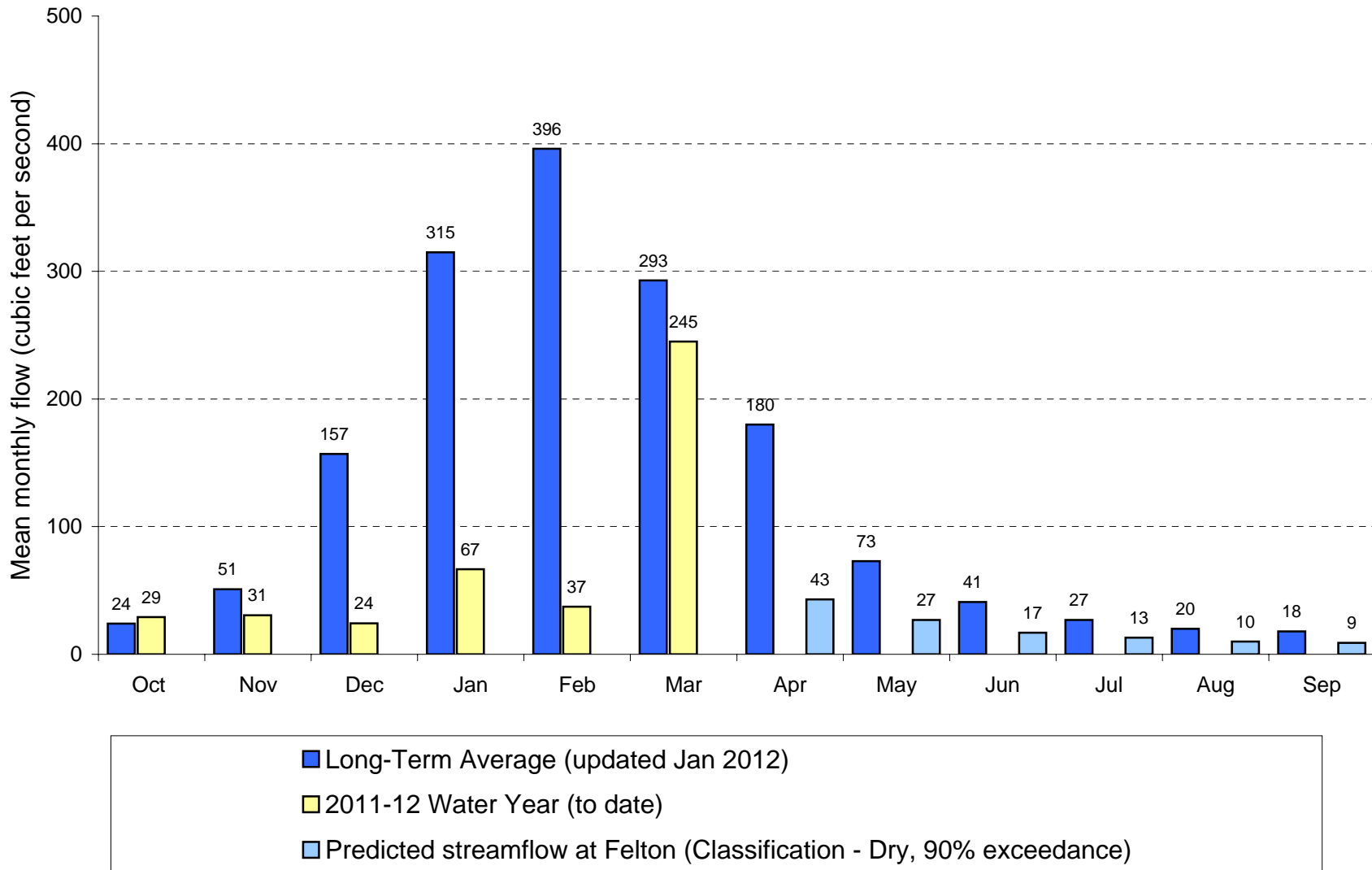


Figure 5. 2012 Reservoir Drawdown

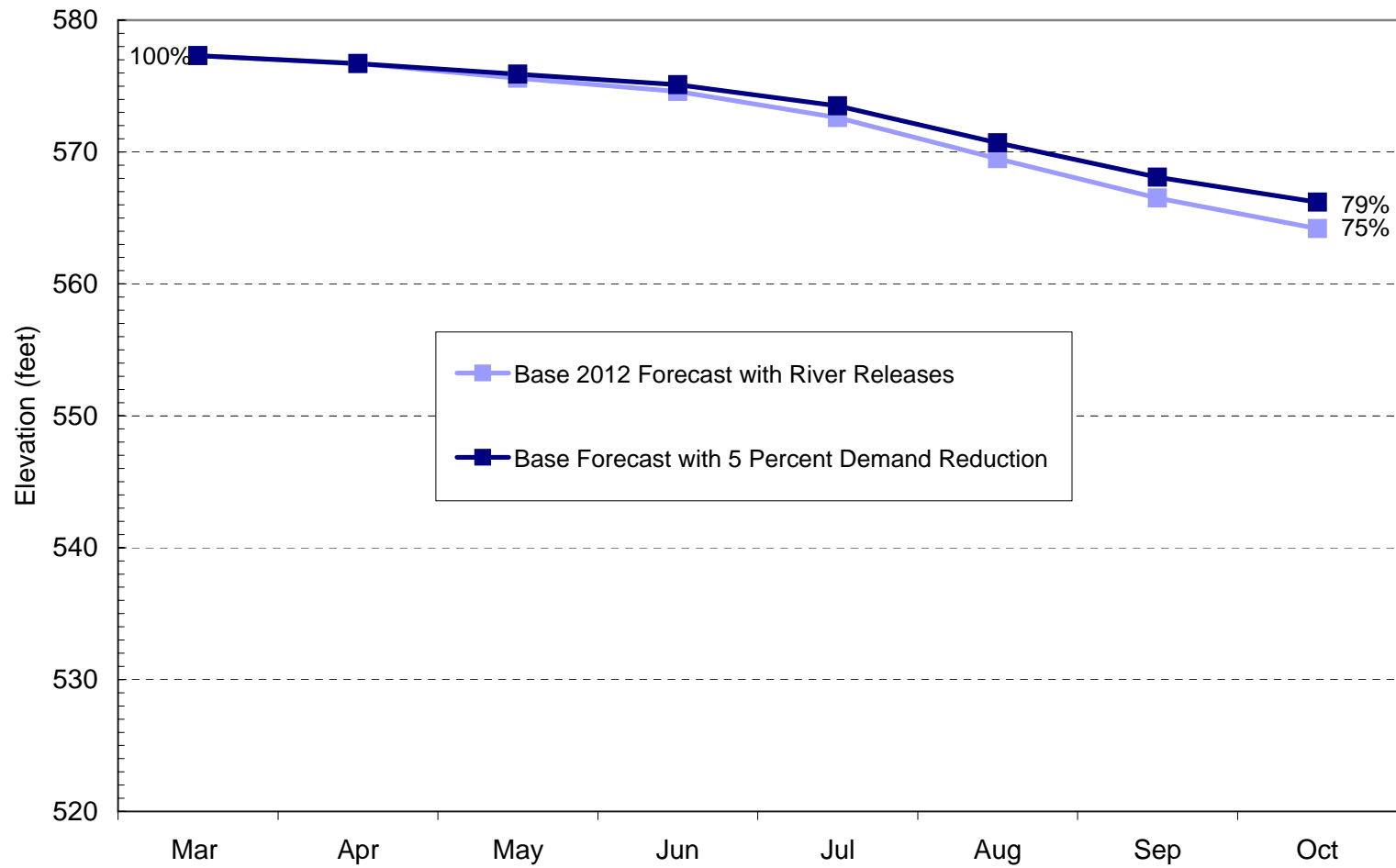


Table 1. 2012 Water Supply Forecast, with River Releases

SCWD Production Forecast (million gallons)	April	May	June	July	Aug	Sep	Oct	Total
North Coast (gross production)	60	56	48	43	40	36	34	318
North Coast (net production)	48	45	38	33	30	27	26	246
San Lorenzo River	225	232	225	213	153	134	136	1318
Live Oak Wells	0	24	24	24	24	24	24	144
Total Production without Lake	273	301	287	270	207	185	185	1708
Projected System Demand	256	330	315	343	331	306	269	2151
Lake Production Needed to Meet Demand		30	28	74	123	121	84	459
Evaporation (feet)	0.2	0.3	0.3	0.4	0.4	0.3	0.2	2.1
Evaporation (mil gal)	11	14	14	18	16	11	6	90
Fish Release (mil gal)	21	21	21	21	21	21	21	147
Beginning Lake Volume	2,830	2,798	2,733	2,670	2,558	2,398	2,245	
End of Month Lake Volume	2,798	2,733	2,670	2,558	2,398	2,245	2,134	
End of Month Lake Elevation (ft above msl)	576.7	575.6	574.6	572.6	569.5	566.5	564.2	
Monthly change in elevation	-0.6	-1.1	-1.0	-2.0	-3.1	-3.0	-2.3	
Cumulative change in elevation	-0.6	-1.7	-2.7	-4.7	-7.8	-10.8	-13.1	
Percent of capacity (%)	98.9	96.6	94.4	90.4	84.7	79.3	75.4	

San Lorenzo River forecast assumes dry year, 90% exceedance probability

Projected system demand based on 2011 actual figures plus 5%, with April, May and June figures further adjusted upward 10% to compensate for last year's wet weather effect

Assumptions for Loch Lomond Reservoir include: starting elev at 577.3 (100%), no additional pumping from Felton Diversion, & no natural inflow.

Projected Flow (March 26) Dry, 90% exceedance	43	27	17	13	10	9	9
Additional Inflow below Felton	2.0	1.6	1.3	1.0	0.9	0.9	1.0
Flow at Tait St	45.0	28.6	18.3	14.0	10.9	9.9	10.0
Release	5.0	4.0	3.0	3.0	3.0	3.0	3.0
Available Flow	40.0	24.6	15.3	11.0	7.9	6.9	7.0
Production (mg)	225	232	225	213	153	134	136

Table 2. 2012 Water Supply Forecast, with River Releases and 5% Demand reduction

SCWD Production Forecast (million gallons)	April	May	June	July	Aug	Sep	Oct	Total
North Coast (gross production)	60	56	48	43	40	36	34	318
North Coast (net production)	48	45	38	33	30	27	26	246
San Lorenzo River	225	232	225	213	153	134	136	1318
Live Oak Wells	0	24	24	24	24	24	24	144
Total Production without Lake	273	301	287	270	207	185	185	1708
Projected System Demand	244	314	300	326	314	290	255	2043
Lake Production Needed to Meet Demand		13	12	56	107	105	70	364
Evaporation (feet)	0.2	0.3	0.3	0.4	0.4	0.3	0.2	2.1
Evaporation (mil gal)	11	14	14	18	16	11	6	90
Fish Release (mil gal)	21	21	21	21	21	21	21	147
Beginning Lake Volume	2,830	2,798	2,750	2,703	2,607	2,463	2,326	
End of Month Lake Volume	2,798	2,750	2,703	2,607	2,463	2,326	2,229	
End of Month Lake Elevation (ft above msl)	576.7	575.9	575.1	573.5	570.7	568.1	566.2	
Monthly change in elevation	-0.6	-0.8	-0.8	-1.6	-2.8	-2.6	-1.9	
Cumulative change in elevation	-0.6	-1.4	-2.2	-3.8	-6.6	-9.2	-11.1	
Percent of capacity (%)	98.9	97.2	95.5	92.1	87.0	82.2	78.8	

San Lorenzo River forecast assumes dry year, 90% exceedance probability

Projected system demand based on 2011 actual figures plus 5%, with April, May and June figures further adjusted upward 10% to compensate for last year's wet weather effect

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Release	5.0	4.0	3.0	3.0	3.0	3.0	3.0
Available Flow	40.0	24.6	15.3	11.0	7.9	6.9	7.0
Production (mg)	225	232	225	213	153	134	136

GOOD TIMES

A Salty Vote

TUESDAY, 28 FEBRUARY 2012 15:09 LINDSEY GRAHAM-JONES

With desal heading toward the ballot, the debate rages on

In Santa Cruz, which relies almost entirely on surface water, scarce rainfall and a warm winter have water department employees and residents, alike, worried about the year's water supply. The recent dry spell tied in interestingly to the prevailing debate over the city's proposed desalination plant, which they insist will be necessary to protect the city from inevitable droughts.



The proposed Westside desalination facility—a joint effort of the Santa Cruz Water Department and neighboring Soquel Creek Water District—would produce 2.5 million gallons of water per day by removing salt and other minerals from seawater and making it safe for human consumption. But many are worried about the project's impacts on both the taxpayer's wallet and the environment.

The vocal anti-desalination movement, which has been led, thus far, by Rick Longinotti's group, Santa Cruz Desal Alternatives, made news last month when it announced the launch of the Right to Vote on Desal campaign. The effort seeks to gather enough signatures to put desalination up to voters in November.

The matter was a predictable topic for the Santa Cruz Neighbor's Feb. 21 water-themed meeting, to which desal opponents Longinotti and former Santa Cruz Water Manager Jan Bentley were originally scheduled to speak, and then uninvited at the last minute.

According to Santa Cruz Neighbors event organizer Deborah Elston, the rescinded invite was because the meeting was meant to be educational—not a debate.

"We realize that desal is part of that conversation, but tonight it really is just part of the conversation," Elston announced at the beginning of the event. "It isn't the whole conversation."

But as each speaker took his or her turn power pointing about desalination costs, effects, and plans, it became clear that desal was, in fact, the central issue at hand, and that all speakers were supporters of the project.

Longinotti, Bentley and other Right to Vote on Desal members are critical of the financial cost of desalination, the projected increase of city energy usage, and the environmental impacts—mainly the endangerment of marine organisms caused by the intake and outtake of seawater.

The Right To Vote on Desal is seeking a minimum of 5,500 signatures by early May to put an initiative on the November ballot that would establish the public's right to vote on the desalination issue. If the initiative passes, the vote wouldn't veto or approve the desalination plant project, but rather guarantee the voters another election to decide.

Mayor Don Lane and Councilmember David Terrazas have cited the group's campaign initiative as "flawed," and put forth another ordinance at the Feb. 28 city council meeting that, if passed, would also guarantee residents the right to vote, but at one special election. (As of press time, the council had not voted.)

The Right To Vote campaign worries that the city's initiative could do more harm than good.

Primarily, the group is concerned about the high cost of special elections and the fact that voter turnout is often much lower than at regular elections. But if the Right to Vote on Desal's initiative makes it onto the November ballot, an additional election would also be required if it passes.

Either initiative could end up costing the taxpayer money, but Lane asserts that the city's version would be simpler and less expensive—requiring an ordinance be passed by the city council rather than petitioning thousands of signatures.

The Right to Vote on Desal group is also concerned that Lane's measure could legally be repealed at any time by the city council. However, former mayor Mike Rotkin asserts that there's no possibility of the city repealing the initiative.

"If they said you could vote and then changed their mind later, in this town they'd be crucified," says Rotkin. "There's no question there's going to be a vote one way or another."

Regardless of securing residents the right to vote on the issue, many opponents feel that desalination has become mainly a political issue.

"[The city] doesn't want to have anything stall their desal project," says Bentley. "They've spent a ton of money on it, there's a lot riding on it, and I don't blame them, they're doing a very, very good job of defending what they're doing. But I just strongly feel that they shouldn't do it."

The desalination project is currently in the city's evaluation phase—meaning that when and if the final Environmental Impact Report is approved, which isn't expected until early 2013, voters will then have the right to decide. Because 2013 is not a regular voting year, it's looking like either desal initiative would require a special election.

Debate on Desal and Growth Coming to Head

LAFCO prepares to make crucial decision on the future of UC-Santa Cruz growth

by Juan Guzman on Feb 28, 2012

Stormy seas lie ahead for proponents of the city's plan to build a desalination plant, and the name of the thunderhead is UC-Santa Cruz. On March 7, the Santa Cruz County Local Agency Formation (LAFCO) decides whether or not to extend water rights for the university's proposed expansion into the North Campus natural reserve area.

Supporters say that the desalination plant has nothing to do with new growth, but desal opponent Gary Patton disagrees. "In a settlement agreement between UCSC and the city," contended Patton in a Feb. 22 forum on desalination held on campus, "The city agreed to provide desal water to the university's new growth areas."

Advocates insisted that the city was committed to putting forward a proposal that did not tax its water resources any further. "The university has been told [by LAFCO]," said former Mayor Mike Rotkin, "that any new expansion has to be water-neutral." But when the city was asked to submit its ideas for the conditions of the expansion, it pegged the so-called "water-neutral" number not at the university's current rate of usage, 179 million gallons per year, but at its historic high of 206 million gallons per year.

For desal skeptics, this 27 million-gallon-per-year difference is an indication that the city is committed to using the plant to promote growth, despite its rhetoric in favor of conservation. "Under this condition," says Patton, "the university is not obligated by the city to conserve until it reaches its historic highs."

When LAFCO meets on the 5th floor of the county building on March 7 to consider the city's proposition, one can be sure that Patton and other desal skeptics will be there advocating for a policy that promotes water savings over growth.

Water Customers Want to Be Included in Desal Vote

Some 40,000 residents in Santa Cruz's water district could be left out of the public process

Read More:

[News, Politics, desalination, Gary Patton, John Leopold](#)

by Jacob Pierce on Feb 28, 2012



Supervisor John Leopold wants water customers in the unincorporated county to be able to weigh in on important water decisions. Photo by Chip Scheuer.

If given the choice, Michael Lewis says he'll vote against any plan to construct a \$100 million-plus desalination plant to increase the Santa Cruz area water supply.

"I'm opposed to it for a number of reasons," says the Live Oak resident. He cites concerns about the plant's energy usage as well as its location on the federally protected Monterey Bay National Marine Sanctuary. "To be drawing water out of there is atrocious. It's a ridiculous thing to do."

But Lewis might not have a chance to weigh in. He and his wife Jean Brocklebank are two of about 40,000 Santa Cruz Water Department customers who don't actually reside within city limits. While two separate proposals to bring the controversial desal project to the public for a vote would guarantee a say for Santa Cruz city residents, those city water customers living outside the city proper would have to stay home on election day.

So would the 38,000 customers of the Soquel Creek Water District—whose water supply (and water bills) would also see a boost from the desal plant. That's a lot of disenfranchised people, say critics.

County Supervisor John Leopold, whose District 1 constituency includes residents of Live Oak and Soquel, is spearheading the effort to find a way to let water customers in unincorporated parts of the county weigh in. He's focusing on city of Santa Cruz water customers first.

"It's going to be very hard to support any construction unless there's a vote of the people, and that means all of them," says Leopold, who's written a letter to Santa Cruz Mayor Don Lane in hopes of getting the conversation started.

Leopold wants to know if there is a way for nonresident Santa Cruz water customers to take part in the vote outlined in a new city ordinance proposed by Lane and councilmember David Terrazas. As of press time, Santa Cruz City Council was expected to approve the ordinance on Tuesday, Feb. 28. It would put the desalination plant to a vote of city residents, probably sometime next year.

Leopold says he's also asked county counsel chief deputy Rahn Garcia to look into the possibility of including Live Oak residents in the city's election process, but Garcia is not commenting on the matter, citing client privilege.

Leopold notes that water customers in the unincorporated areas already pay a higher water rate than city residents. Santa Cruz Water Director Bill Kocher confirms that those customers pay rates 26 percent higher than city residents. He says that's because their water depends on piping and infrastructure that is specific to them and does not benefit the city.

Leopold also notes that out-of-city water customers, who mostly live in Live Oak and Pasatiempo, with a few in Capitola as well, have almost no representation on the city water commission. The seven-member water board has only one non-city member, and he's appointed by the city.

Leopold wants residents of the Soquel Creek Water District to have a chance to vote on the plant too. Under the desal plan, Soquel Creek would use the plant at half capacity for about 90 percent of the time. But any vote would have to be OK'd by the district's leaders, and its board has not yet discussed the possibility of holding an election.

Rick Longinotti, a leader of Desal Alternatives, has been gathering signatures for a measure, separate from the one advanced by Lane and Terrazas, that would put desal to a vote, most likely in November 2014. Longinotti says he'd like to join forces with Leopold, but says he can't for legal reasons: Longinotti says his group's measure cannot be changed to include out-of-city voters. But he wishes Leopold's efforts well.

"I totally support his goal, which is to have his constituents in Live Oak have some kind of voice in their water future," Longinotti says.

Lewis looks forward to voicing his concerns on desalination, but adds there's more than one way to do that. He says sometimes Americans put too much focus on voting and end up ignoring the other aspects of democracy. If the activist, a member of Desal Alternatives, does not get a chance to cast his vote, he says it won't be the end of the world. Protest and activism are also important.

"If I were not able to vote on it," Lewis says, "I wouldn't sit and cry in my beer, because I [already] take part in democracy on a day-to-day basis. Voting is just one part of it."

Santa Cruz City Council OKs putting desal in voters' hands: Election wouldn't be called before 2014

[By J.M. BROWN -](#)

Posted: 02/28/2012 10:00:23 PM PST

SANTA CRUZ - The City Council preliminarily approved an ordinance late Tuesday requiring the city to seek voter approval for a \$115 million desalination plant no earlier than June 2014.

The ordinance calls for a referendum on the proposed Westside facility during a regularly scheduled election only after the council certifies a critical environmental analysis, a draft of which is due this summer.

The move to eliminate the possibility of a special election in 2013 reflects a compromise that could minimize confusion with a citizen-led initiative calling for a vote only during a regularly scheduled election.

"Giving our community one opportunity to do that, the better it is for everyone," Vice Mayor Hilary Bryant said of a single citywide vote.

Previous language on the proposed ordinance would have allowed the city to call for a special election next year. Desal opponents who are gathering signatures for a November ballot initiative asking voters if they wanted to weigh in during a future regular election saw the city's move to get voter approval as early as 2013 as an attempt to short-circuit their effort.

Mayor Don Lane said he received assurances from city water officials and the city's desal partner, Soquel Creek Water District, that a delay until June 2014 will not hurt the project because it would allow spending on energy use, design and other aspects that precede construction. The initiative from desal opponents calls for the city not to incur bonded indebtedness for the project, which water officials say won't be required for pre-construction work.

However, desal opponents remain concerned a future council could repeal the ordinance, which in itself could be stopped by voters with a separate initiative drive. But, Lane said, "That's not going to happen."

Tuesday, the council also approved a plan to keep the plant carbon neutral by reducing energy use within the facility and conduct other offsets in the community. City officials who readily acknowledge the plant will use a lot of energy have been investigating ways to reduce it for months.

There would be an approximately 40 percent increase in indirect greenhouse gas emissions to supply water during a drought period. And performing reverse osmosis to remove the salt will require 10 times as much energy as it takes the city to treat 1,000 gallons of water at the city treatment plant.

The council made the move Tuesday so the new policy can be included in the ongoing Environmental Impact Report. Water department staff said the city could pay for local solar, power purchase agreements or other projects - that the city isn't currently participating in - to offset greenhouse gas emissions from the plant.

Activist Paul Johnston said it didn't make sense to increase emissions by constructing and operating a facility when the city already has a mandate through its Climate Action Plan to reduce the emissions its making now.

"It's just not competent planning to look at a single project out of context of the community's overall need," he said.

Former Mayor Cynthia Mathews, a founder of the pro-desal Sustainable Water Coalition, said the plan is a thorough answer to concerns over high energy use.

"Santa Cruz should and can be leading edge, and I think this is a good start," she said.

The cost of the plant will be funded through bonds or rate increases or a combination, and shared with Soquel Creek Water District. The city, which serves 92,000 customers from Davenport to Live Oak, projects ratepayers will see a \$5 per month increase to build the plant.

In other action, the council also approved a request by the Planning Department to keep in place limited hours of operation and entertainment for the former Cypress Lounge on Union Street, which is now under new ownership. The council changed the business' permits in October in response to violence, noise and other problems stemming from the bar.

Police report fewer calls for service since the restrictions were put into place, and the new owner of the bar to be called The Reef, connected to the popular Hawaiian restaurant Pono, did not object during the meeting. Neighbors supported the decision to reduce late-night hours and limit amplification for small-scale entertainment.

"We want to help keep this business open but we want no more late night club," said Marion Vittitow, who spoke for residents in the Union Street, Chestnut Street and Squid Row areas.

Santa Cruz City Council OKs UCSC conservation funding plan, downtown solar plan

[By J.M. BROWN -](#)

Posted: 02/28/2012 06:46:36 PM PST

SANTA CRUZ - The City Council approved a plan Tuesday to pour fees paid by UC Santa Cruz when the university exceeds water use limits into a fund for off-campus conservation.

The move comes before a March 7 hearing by the Local Agency Formation Commission to finalize details of a city water service extension to an undeveloped corner of campus for future growth. LAFCO, under its own policy to approve only water-neutral projects, has requested a formal plan to designate overage fees for conservation.

The city's water conservation manager, Toby Goddard, said it was "extremely valuable to the city as a whole" to have a mechanism for funding utility and irrigation upgrades if UCSC, the largest water customer, exceeds 206 million gallons per year. The fee would be nearly \$77,000 for each million gallons over the limit.

Opponents complain the limit was established before natural resource agencies have determined how much the city must reduce its diversion on surface water supplies to protect fish habitat. They believe UCSC should pay additional fees, regardless of whether it exceeds limits, to fund water supply improvements that don't involve the city's primary plan, a controversial desalination plant.

Councilwoman Katherine Beiers asked why the usage limit couldn't be lowered to meet UCSC averages from recent years. But water managers said the reduction in UCSC use stemmed from aggressive conservation, and they didn't want to punish the university for surpassing goals to cut back.

Fisheries agencies warn LAFCO against UCSC water expansion: Final vote set for Wednesday

[By J.M. BROWN - Santa Cruz Sentinel](#)

Posted: 03/02/2012 06:32:11 PM PST

SANTA CRUZ — State and federal natural resource agencies have warned a panel charged with approving a city water extension for UC Santa Cruz that it shouldn't give final approval to the plan until accord is reached about the protection of fish habitat.

Representatives from California Fish and Game and the National Marine Fisheries Service have told the Santa Cruz Local Agency Formation Commission that a key condition the commission placed on its preliminary approval of the project has not been met. In December, LAFCO tentatively approved requests from the city and university to extend up to 100 million more gallons of water — an increase of two-thirds over the total amount UCSC used all last year — to support growth planned in an undeveloped area outside city limits.

LAFCO is set to take a final vote at a hearing that begins at 9:30 a.m. Wednesday.

“To date, it does not appear that current water supplies are sufficient to meet current demand and protected listed (salmon species), let alone allow for increased demands resulting from the expansion of the city's service area,” Dick Butler, North Central Coast office supervisor for the National Marine Fisheries Service wrote.

The agencies say the city can't prove it will have an adequate and reliable water supply — a key LAFCO requirement — to serve planned campus growth because it hasn't agreed with regulators on how much to reduce diversions from the San Lorenzo River and North Coast streams to bolster salmon habitat. The regulators advised LAFCO to get assurances about a new city water supply, an effort that centers around a hotly debated desalination plant that won't go before voters for at least two years.

Critics of the water extension have urged delay.

“The state of California has no money to finance UCSC construction on the North Campus in the foreseeable future,” members of the Coalition to Limit University Expansion, or CLUE, wrote the commission. “A delay of a few years in your decision should have no effect on UCSC's growth plans.”

The university has acknowledged its plans to add 3,000 new students by 2020 are unrealistic given years of state cuts and an uncertain fiscal future. But it wants to clear the way for constructing new facilities as funds become available — development that it agreed with the city, county and CLUE in a landmark 2008 deal to do to reduce traffic, environmental and other impacts off campus.

The city's water director, Bill Kocher, told LAFCO he is close to reaching a deal with the state and federal regulators but that “the impact to fisheries if LAFCO approves these two applications is in fact zero” because the city on Feb. 28 approved a water neutrality policy regarding UCSC water. If the campus exceeds a baseline level for use, it will pay fees that will be plowed directly into off-campus conservation.

County Supervisor Neal Coonerty, who chairs LAFCO, said the warnings from regulators do little to persuade him that the UCSC water expansion plan isn't still viable. He cited the city's UCSC water neutrality program, but noted that his vote is but one of seven.

“If there is not a single (net) drop of water being used for expansion of campus, it's hard to know how that impacts the stream diversions,” Coonerty said Friday. “Stream diversions go on in any event.”

IF YOU GO

LOCAL AGENCY FORMATION COMMISSION

WHAT: Hearing on UC Santa Cruz water expansion

WHEN: 9:30 a.m. Wednesday

WHERE: County Government Center, 701 Ocean St., Room 525

INFORMATION: Visit www.santacruzlafco.org

ON THE NET: To read the reports, visit santacruzsentinel.com

Published on Monday, 05 March 2012 15:03

Written by Noel Smith

WATER WARS – PART ONE

The ‘Why’ of Desalination for Santa Cruz County



To Desal or not to Desal, that is the question. The Santa Cruz Water Department and the Soquel Creek Water District believe that is the most rational option to ensure an adequate, consistent water supply for the future. They have formed a partnership known as scwd2 to pursue a regional seawater desalination program. A pilot plant at UCSC's Long Marine lab facility has already addressed the technical issues of seawater intake, brine disposal, and quality of the water produced.

The results of all this testing can be found on the scwd2 website, www.scwd2desal.org along with an explanation of why desalination is considered the best long-term choice for additional supply.

Why is more water needed?

California is subject to droughts. In the late 70's Santa Cruz County suffered a three-year drought, but there have been documented periods of little rain lasting five years and longer. Without a new and reliable water supply, such protracted dry spells would seriously affect our local economy, environment, and quality of life.

Our tourist economy — which includes hotels and restaurants — would suffer, agricultural income would be hurt, hospitals and schools would be first priority while residents would see their lawns and gardens dry up and shower-sharing would become a necessity, not just recreational.

Most of Santa Cruz County is unique in that we are entirely dependent on local sources for our water. The Santa Cruz Water Department, serving an area from the North Coast to Capitola, depends on surface water (runoff) for its water supply with Loch Lomond reservoir as the primary source during the dry season. The Mid County (Capitola, Aptos, La Selva Beach) depends on the Soquel Creek Water District for its water. Despite its name, the District doesn't depend on Soquel Creek for its water — it all comes from wells, which are already overdrafted and are at risk of being ruined by saltwater intrusion into the underlying aquifer.

So here are two adjacent water companies with different problems. The Santa Cruz Water District customers — dependent on runoff — will suffer if there is a drought while the Soquel Creek Water District will suffer from continuing to overdraft their source of water. In order to reduce water demand, both districts have successfully promoted water conservation to the point where their customers use 30 percent less water per person than the rest of California.

But no matter how much their customers conserve, they are each still are faced with the potential problems of drought for one, and saltwater intrusion for the other.

What is the solution?

How to provide a consistent supply of water in all conditions is the problem that each has struggled with for over fifty years. There is no outside source of water coming into the county in a pipeline or canal that they can draw upon. As far as water is concerned, we are on our own.

However, there is a rather abundant source of water available that borders the county — the Pacific Ocean. By drawing water out of the ocean and removing the organic material and the minerals in order to desalinate the water, both Water Districts have a solution to their respective problem.

With desalination, the Santa Cruz Water Department would have a source of water that wouldn't depend on yearly rainfall totals which they would be able to draw upon it during the dry months of summer and periods of severe or extended drought.

With desalination, the Soquel Creek Water District would have a source that would allow them to reduce or even cease pumping water from their wells thereby allowing the aquifers to recharge and thus preventing further saltwater intrusion. In the case of a drought, the Santa Cruz Water Department would get the desalinated water and the Soquel Creek Water District would go back to pumping until the rains returned. This is what is known as an elegant or win-win solution that makes good economic and environmental sense.

So, what is all the fuss about?

There is a group, Santa Cruz Desal Alternatives, which insists that there is no justification for using desalination because there are viable alternatives, that Desal is too expensive and uses too much energy. Some of the hypothetical alternatives to desalination they have presented:

- Recovering more water from the San Lorenzo River

Three problems with that are: 1.) Where do you store it to prepare for a drought? There is no additional reservoir capacity, and future reservoirs face immense environmental, legal, cost and regulatory hurdles. 2.) We know that federal and state regulators will require the City to decrease the amount of water it currently draws from streams, to provide habitat protection for endangered species. 3) In drought years, there's no water in the river to take.

- Recycling Sewage Water

Recycling sewage water or gray water for human use is illegal. Using it for non-human use (parks, golf courses, etc.) is costly because it takes building a separate distribution system and would be limited in its impact on overall water usage.

- More Water Conservation

The county is already one of the lowest urban water usage areas in the state. Additional conservation could be achieved, but not enough to solve the water supply shortfall that both districts face. We would be hard pressed to save significantly more without causing health and quality of life issues.

- Water Sharing

The only other local water district with large enough resources that could share water with Santa Cruz in a drought is the Soquel Creek Water District. 1.) Water sharing would mean pumping more water from their wells, which accelerates saltwater intrusion. 2.) Recharging the aquifer through water sharing means taking water from the San Lorenzo River, which federal regulators are unlikely to permit. 3.) Recharging an aquifer is not a seasonal exercise, as it takes a lot longer to recharge than it does to remove the water.

- Water Neutral Development

Water neutral development does not improve the situation because it does not provide additional water for use in a drought or for recharging an aquifer. It puts enormous economic burden on new projects, thus creating a major disincentive for new housing, commercial or public uses that the community may actually support.

Each of these proposed alternatives to desalination falls short of addressing sufficiently the problems of potential drought for the citizens served by the Santa Cruz Water Department and the recharging of the aquifers that the Soquel Creek Water District depends on to serve its communities.

The Effect on the Environment

Environmental issues, including energy use and offsets, water intake and outflow, protection of North Coast streams and the mid-county aquifer are being addressed in the detailed Environmental Impact Report (EIR) which is now in process. We will cover these in depth in a future "Water Wars."

But there are two significant "wins" for the environment if a desalination plant is built:

- The aquifers that have been drawn on for so long will have the opportunity to recover allowing local springs and streams to return to their original flow rates in Mid-County.
- With their increased flows, the larger streams and rivers (San Lorenzo River, Soquel Creek, Aptos Creek etc.) will become a friendlier habitat for fish and other wildlife.

Desalination is an opportunity for the people of this county to help return the environment to what it once was for both its current and original inhabitants while providing a sustainable water supply for future generations.

Coastal Commission weighs in on UCSC water case: Agency says it may have oversight role in related fisheries debate

[By J.M. BROWN - Santa Cruz Sentinel](#)

Posted: 03/06/2012 07:45:42 PM PST

SANTA CRUZ — At the urging of a conservation group seeking to halt a city water expansion for UC Santa Cruz, the state Coastal Commission weighed in at the 11th hour Tuesday, warning it may have authority to review the controversial case because weakened fish habitat central to the debate could affect the coast.

The Santa Cruz Local Agency Formation Commission is scheduled Wednesday to finalize its approval of applications tentatively approved in December to expand the city's sphere of influence and extend water and sewer service to an undeveloped northern corner of campus. The university has requested up to 100 million gallons more water each year to support new housing and other buildings — as outlined in a pact with the city and county — if student growth hits a projected maximum of 19,500 by 2020, about 3,000 more than what it is now.

However, federal and state fisheries agencies have urged LAFCO to delay final approval until the agencies complete negotiations with the city to reduce diversions from the San Lorenzo River and North Coast streams — which provide about 85 percent of the water supply — to rebuild salmon habitat. It's within those deliberations that Coastal Commission staff believe they may have a future role to play.

Susan Craig, supervising coastal planner for the agency's Central Coast District Office, wrote LAFCO on Tuesday to say that, even though the river and stream diversions fall outside the coastal zone, their effects could be within the commission's purview. She explained that federal coastal law allows her agency to request a review of the diversions because they will affect fish, which are considered coastal resources.

Even though the Coastal Commission can't interfere with LAFCO's decision now, Craig explained that LAFCO's approval of the water expansion could come into play later if the diversions enable the city to meet the increased demand from the university.

"This was just to give them a heads up that what you're doing now may have ramifications in the future," Craig told the Sentinel.

Patrick McCormick, executive director of LAFCO, which decides whether municipalities can expand their boundaries or utility services, said it wasn't clear what impact Craig's letter could have on Wednesday's vote or whether uncertainty about diversions could cause a delay. But he has opted not to make a recommendation either way, given the commission's earlier approval of the expansion.

Although Craig didn't recommended outright that LAFCO wait until diversion rates are set, she noted in her letter that federal regulators, if they grant the Coastal Commission oversight in the process, may not approve the diversion-related permits until that review is completed.

Santa Cruz's water director, Bill Kocher, said he regarded Craig's letter similarly to those last month from the National Marine Fisheries Services and California Department of Fish and Game pressing LAFCO to delay. Kocher said the warnings don't mention the fact that the city, at LAFCO's insistence, has agreed to charge UCSC fees for off-campus conservation programs, such as turf replacement and high-efficiency appliances, when water use exceeds a baseline level.

"There is no demand in increase; there is no issue," Kocher said. "How much is water use going up on campus? Zero."

Craig said she did take the water-neutrality program into consideration when drafting her letter. But the letters from regulators, who want the city to meet diversion reductions seen as impossible by the city, do not mention the program because it was implemented only late last month.

The Coastal Commission will have a say on whether the city can build a controversial desalination plant to increase water supply in drought years, a proposal seen by supporters as a way to stave off drastic cutbacks and protect fish. But Kocher said he was unaware the commission could insert itself into the fisheries issue, which he said could be resolved this year.

The Coastal Commission approached LAFCO at the urging of Don Stevens, a leader of the Habitat and Watershed Caretakers group, which sued the city over an environmental analysis of the water expansion. A Santa Cruz judge said the environmental impact report was valid, but the case is awaiting an appeals hearing.

"It would seem to be awfully audacious for LAFCO to ignore those agencies and take action now when they could easily wait six to 12 months and get the studies," Stevens said. "There is so much doubt."

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IF YOU GO

Santa Cruz Local Agency Formation Commission

WHAT: Hearing to finalize approval of applications by the city of Santa Cruz and UC Santa Cruz to expand city water service on campus to support future university growth.

WHEN: 9:30 a.m. Wednesday

WHERE: County Government Center, 701 Ocean St., Room 525

In UCSC expansion vote, panel waits on fish protection plan, lowers overall water limit

By J.M. BROWN -- Santa Cruz Sentinel

Posted: 03/07/2012 01:46:15 PM PST

SANTA CRUZ - The Santa Cruz Local Agency Formation Commission signaled narrow support Wednesday for a city water expansion at UC Santa Cruz under two new conditions that left city and university officials shaking their heads.

The essential question facing the panel, which is charged with approving such boundary and utility service changes, is whether the city has enough water to supply more to the university for development outside city limits at a time of drought-year shortages and uncertain reductions in surface water supply.

The majority of LAFCO members were doubtful enough to vote 4-3 in favor of Commissioner John Leopold's recommendation not to permit any new water be delivered to an undeveloped 240-acre area eyed for new student housing until negotiations with fisheries regulators are completed. Leopold's plan, supported by Commissioners Jim Anderson, Roger Anderson and Jim Rapoza, also calls for lowering by 15 percent the baseline level of annual water use above which UCSC would have to pay fees for off-campus conservation.

Noting LAFCO's mandate to ensure an adequate water supply, Leopold, a county supervisor, said, "There are big question marks about whether the city has that supply," especially absent approvals for a proposed seawater desalination facility to produce more water during droughts.

Regulators from the National Marine Fisheries Services and California Department of Fish and Game urged LAFCO to deny the city and university until the city's Habitat Conservation Plan and diversion permits are approved by those agencies to boost habitat for endangered salmon species. City officials have no estimate on when talks with regulators may wrap up.

LAFCO could take a final vote in April after its lawyer verifies the legality of the new conditions placed on the university. Even if approval is granted, the city, university or any opponents of the expansion have the right to file an appeal with LAFCO.

A minority of commissioners, including Don Lane, Daniel Dodge and Chairman Neal Coonerty, preferred Wednesday to finalize the expansion as outlined in December, when LAFCO gave the controversial expansion a tentative thumbs-up. As required by LAFCO, the city has since passed a water-neutral policy on UCSC water use, which says any increase above 206 million gallons each year - a limit determined in a 2008 settlement to end lawsuits with the city, county and citizen groups - would generate funds for replacing lawns or low-efficiency appliances in town.

The campus, which already has surpassed city conservation targets by cutting 50 million gallons per year from 2007 to 2011, is asking for up to 100 million gallons more per year in the event

maximum growth of 3,000 more students is realized, which few expect given the state's financial shortfalls.

"The city really put the screws to the university to demand a reduction," said Commissioner Lane, who serves as the mayor of Santa Cruz. "Now if we do something like this we are moving the goal post for the university of what the community wanted them to do."

City officials, who insisted the university subject itself to LAFCO approval in the first place, are now worried LAFCO's decision will enable the university to grow unchecked for however long it takes the city and fishery regulators to reach consensus on diversions from the San Lorenzo River and North Coast streams that comprise 85 percent of supply for the city's 92,000 customers.

The university doesn't have to abide by the growth agreement to provide housing for two-thirds of new students on campus through 2020 unless LAFCO approves the water extension. According to UCSC's online records, the campus already has enrolled more than 1,100 students from the time settlement talks began in 2007 to 2011, the latest official figures available.

"The shame of this decision is, it's putting thousands more students into more neighborhoods and costing our water customers millions," Councilman Ryan Coonerty, an author of the growth pact and the LAFCO chairman's son, said after the vote. "I just wish this LAFCO had shown some concern for the quality of life in the community."

The commission tentatively approved lowering the university's baseline to 176 million gallons per year, which Leopold said represents UCSC's average use during the past five years. Under LAFCO's conditions, the university would have to pay \$6,500 for each 85,000 gallons of water over that amount, which it would exceed after building housing and academic buildings in the north campus.

"In some obvious ways, the trajectory of the board discussion was very disappointing to us - and we suspect to the city," UCSC spokesman Jim Burns said. "One aspect of today's hearing was particularly troubling: The prospect that - very unfairly - the city, the campus, or ultimately all of the ratepayers may now be penalized for UCSC's many water-conservation accomplishments."

Burns said UCSC isn't inclined to pay more on a lowered baseline and city officials are worried if LAFCO can't legally bind the university to the lower limit, the overage fees will be passed on to ratepayers.

A number of UCSC students and graduate researchers encouraged LAFCO to deny or delay the expansion, saying it won't improve educational opportunities through growth. Rather, they said it will only require stretching resources thinner and increasing UCSC's debt to construct buildings.

Luz Cordoba, a UCSC researcher and city resident among those in a standing-room only audience Wednesday, said, "The expansion will demand the building of a desal plant to compensate for water shortages, which we are already experiencing today." City officials say the facility is proposed only to offset emergency drought. Voters will get the first of several chances as early as November to decide the plant's fate.

Charles Eadie, a land use planner and UCSC alumnus, said LAFCO should support the expansion to "reaffirm the work that's been done" to improve relations between the city and university. He said many students opposed to growth now wouldn't have been admitted had past differences not be ironed out.

"Speaking as a resident, things are way better when the university and city are in cooperation," he said. "That is really what this is about."

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Santa Cruz water officials could seek 5% curtailment: Low February rainfall puts year on track to be seventh driest

By [J.M. BROWN](#)

Posted: 03/12/2012 01:30:05 AM PDT

SANTA CRUZ -- With rainfall in the typically soggy month of February totaling just sixth-tenths of an inch, this year is on course to be the seventh driest on record for Santa Cruz.

Although rain is forecast for much of the coming week, February ended with a seasonal total of just 10.6 inches, or about 45 percent of normal year-to-date rainfall, according to the city's most recent Water Supply Outlook. Water officials may ask the City Council in April to approve a 5 percent curtailment if March doesn't deliver a significant turnaround.

A Stage 1 Water Shortage Alert would aim to reduce use systemwide by encouraging customers to cutback on irrigation. However, the city is, as always, also urging customers to fix leaks and upgrade to higher-efficiency toilets and clothes washers.

"If nothing changes, clearly it would be irresponsible in such a dry year to do nothing," Toby Goddard, the city's water conservation manager, said of the potential curtailment.

The last time there was a shortage alert was 2009, which was followed by two consecutive wet winters.

The Water Supply Outlook, the second of three expected during the rainy season, classifies this year as critically dry, the most severe level on a four-point scale that includes wet, normal and dry. Flow in the river was less than one-tenth of normal in February, and what little rain Santa Cruz did receive last month was absorbed into the ground.

The good news is Loch Lomond reservoir was 97 percent full at the end of February, thanks to last winter's drenching. But the Water Department will have to draw down its reserves during the high-demand summer months if river flows dip below legal pumping levels and North Coast streams remain drier than normal, the report said.

Goddard said the dry winter would have been an even more serious concern a decade ago, before aggressive conservation helped the city reduce demand by 23 percent despite 6 percent growth.

"If demand were higher, we might be calling for a more rigorous response," he said.

Goddard said a third supply assessment will be done at the end of March before any alert recommendation is brought to the Water Commission and City Council. Any cutback measures would go into place May 1.

The potential shortage alert comes as an anti-desalination group is gathering signatures for a November ballot measure that would allow voters to decide whether to build a controversial seawater desal facility during a future election. The city has also passed its own ordinance requiring a voter referendum on desal as early as 2014.

The city argues the plant is needed to supplement supply in a drought, which could be declared after multiple dry years. But Rick Longinotti, founder of Santa Cruz Desal Alternatives, said any shortage alert could only "prompt more people to ask us, What are the alternatives to desalination?"

His group is pushing for increased conservation, water swaps with neighboring districts and a citywide water-neutral development plan rather than a facility expected to cost more than \$100 million. The city recently passed such a policy to cover UC Santa Cruz.

Longinotti applauded what he called "the integrity" of the city's decision to possibly curtail use 5 percent, "given that it may not help their case that there is available water to offer for UCSC growth."

The city argues it has enough water in normal years to serve existing customers and extend more water to the campus, especially if increased campus use is offset by conservation off campus. Plans to extend more water to an undeveloped portion of north campus were put on hold last week while the governing body overseeing such expansions awaits results of a deal between the city and fisheries agencies over reduced river and stream diversions.

Santa Cruz council OKs local business preference; leaders also finalize rule on desal vote

[By J.M. BROWN -- Santa Cruz Sentinel](#)

Posted: 03/13/2012 08:30:45 PM PDT

Also Tuesday, the council took a second and final vote on a new ordinance requiring voter approval before the city constructs a seawater desalination plant. There were no objections from the public at the meeting, but desal opponents have expressed past concern that a future council could simply undo the ordinance.

The Right to Vote on Desal Coalition is gathering signatures for a charter change amendment that would appear on November's ballot. The amendment, which requires verified signatures of 15 percent of registered city voters, would give voters the right to weigh in at a future election.

City officials argue their ordinance does the same thing and have urged the desal opponents to drop their measure, saying it will cause the city to unnecessarily fund two elections for the same purpose.

"In light of what we are doing today, it's not a prudent use of the city's money," Mayor Don Lane said.

The earliest the plant could come up for a vote in any event would be June 2014.

The desalination facility, estimated to cost at least \$115 million, is undergoing an environmental analysis that isn't expected to be completed until this summer at the earliest. If approved by the council and put to voters, the Westside facility must still get the OK of the state Coastal Commission.

Desalination task force reviews \$2 million in spending for coming year; critics take issue with iPad interview

By J.M. BROWN - Santa Cruz Sentinel

Posted: 03/21/2012 09:13:23 PM PDT

SOQUEL - A task force overseeing preparations for a proposed desalination plant reviewed nearly \$2 million in anticipated expenses for the next 15 months as design work and environmental analysis on the controversial facility continues.

The four-member task force did not need to grant approval for the \$1.9 million in spending expected in the 2012-2013 fiscal year because the funds have already been authorized through existing contracts covering the environmental study, design, water delivery system and permitting.

In the past, opponents of the plant have urged the city of Santa Cruz and its desal partner, Soquel Creek Water District, to pull back on some spending when the two agencies and regulators haven't yet approved building the plant. However, none spoke against the ongoing spending plan Wednesday.

The greatest majority of spending for the coming year will be for the highly anticipated, state-required environmental impact report, the findings of which will explain the effects on the ocean, local waterways and energy use. The contract with URS Corp. of America, which is due this summer, is \$1.7 million, \$650,000 of which has been spent so far.

The report will identify a number of offsets designed to make the plant carbon neutral. The task force reviewed those projects Wednesday, including efficiency improvements on the Soquel Creek Water District's pumps and the city's waste water treatment plant, as well as solar water heater and high-efficiency washing machine incentives.

The groups will decide later how the two agencies will split up projects, which may include some outside the area.

"As the community and the state are trying to meet (the state mandate of greenhouse gas reductions), there are a lot of projects coming available," said Heidi Luckenbach, desalination program coordinator.

An anti-desalination group is gathering signatures to place a measure on November's ballot that would change the city's charter to require a future vote on the plant, which is estimated to cost \$115 million. The city has also passed an ordinance requiring such a vote.

Also Wednesday, desal critics took issue with recent interviews conducted with ratepayers door-to-door and at community events, saying the questions about conservation and water supply lead people to believe desal is the only solution. The iPad-based survey ends with a puzzle in which the missing piece is labeled "seawater desalination."

"The image shows this is the only thing that fits," said Karen Minkowski of Santa Cruz. "That's why it's not education, it's propaganda."

"We have an obligation for education of this project," said Soquel Creek Water District board member Dan Kriege, who was named chairman of the task force Wednesday. "We recognize there is a fine line between education and propaganda, and I think we recognized that."

Results of the interviews conducted with 1,600 people will be released in April or May.