



SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
Thursday, November 15, 2018 - 7:00 p.m.
Simpkins Family Swim Center
979 17th Avenue, Santa Cruz, California

MINUTES

1. Call to Order: 7:00 p.m.

2. Roll Call

Board members present: Mr. Abramson, Mr. Baskin, Mr. Benich, Ms. Christensen (Alternate for Chair La Hue), Dr. Daniels, Mr. Kennedy, Mr. Kerr, Ms. Matthews, Ms. Violante (Alternate for Supervisor Friend).

Board members absent: Supervisor Friend, Dr. LaHue, Supervisor Leopold.

Staff present: Mr. Bracamonte, Mr. Duncan, Ms. Menard, Ms. Partch, Ms. Pruitt, Ms. Ryan, Ms. Schumacher, Ms. Strohm.

Others present: Two members of the public.

3. Oral Communications

Becky Steinbruner requested a Santa Cruz Mid-County Groundwater Agency (MGA) policy for political endorsements by MGA board members and stated concerns regarding Agenda Items 4.3 and 5.1.

4. Consent Agenda

- 4.1 Approve Minutes from September 20, 2018 Meeting
- 4.2 Accept Treasurer's Report
- 4.3 Affirm Use of Soquel Creek Water District Protocol for Manager Authority on Contract Task Budget Management

MOTION: Mr. Baskin; Second: Mr. Kennedy. To approve the consent calendar with a technical correction to the September 20, 2018 minutes. Motion approved unanimously (with the following abstentions: Mr. Benich, Ms. Christensen, Mr. Marani, Ms. Violante).

5. General Business

5.1 Board Discussion and Direction to Staff and the Groundwater Sustainability Plan (GSP) Advisory Committee on the Board's Thinking about the MGA's Role in Developing and Implementing Projects and Management Actions to Achieve Basin Sustainability and How the Advisory Committee Should Deal with Projects and Management Actions as it Works on Developing Advice to the Board on the Content of GSP Sections 4 and 5.

Staff reported the Advisory Committee's input on the GSP includes which management actions and projects should be included in Section 4 (list of projects), and which projects seem to be moving into Section 5 (the implementation plan). Staff has recommended that the Board have substantive discussions on three issues:

- To revisit earlier conversations on the role of the MGA and whether the MGA might get involved in projects. The role was previously discussed in a broad manner by the Groundwater Sustainability Agency (GSA) formation committee around late 2015 and early 2016. The Joint Powers Agreement (JPA) allows the MGA to get involved with projects, and the bylaws state that the board would revisit this issue after the GSP is done. Board input on this issue would provide context for how Sections 4 and 5 should be handled in terms of the roles of the member agencies, the role of the board, and what should be in the GSP.
- Any direction from the board on projects to be included in Section 4 of the GSP. The ongoing list of member agency projects is provided in Attachment 2 (also referred to during the meeting as Attachment B). Staff recommends that all the projects in Attachment 2 be included in Section 4 to keep options open and create fallback opportunities.
- Any direction from the board on projects it specifically wants included in Section 5 for implementation of the GSP.

The accompanying staff report represents the consensus of the various managers on the executive team.

Board Comments, Questions, and Staff Responses:

(Staff comments and responses are identified as bulleted items)

On page 24, the "questions raised in Section E below", where is Section E?

- This is the "Discussion Questions for MGA Board" in the middle of page 28.

Does staff see a significant difference in the way the board might treat projects as opposed to management actions?

- Management actions includes a range of items, such as moving pumping inland, which the City of Santa Cruz (City) and the Soquel Creek Water District (District) have already done in some instances. They could include programs for small water systems, domestic well owners, or de minimis pumpers, such as conservation support services, or they could be ideas that have not yet been considered and are not on the current list of projects.

If everything were kept within the management of the member agencies, are there items that would not be covered?

- These would mostly be handled through the County of Santa Cruz (County), such as the water conservation messaging.

How firmly should the Board direct the Advisory Committee, since the Advisory Committee is going through the process of developing the GSP, and the board has not been through that process?

- That is an important item for discussion. What is driving this discussion is that if the board has strong inclinations about what should be included in the GSP, these should be communicated to the Advisory Committee. Otherwise the GSP may not be what the board wants or needs. Since there are several individuals present tonight that serve on both the board and the Advisory Committee their input is welcomed.

Invitation for Public Questions (none received, return to board discussion)

Assuming that the MGA is not going to be doing or managing projects, the MGA does have primary oversight responsibility of the GSP and achieving sustainability and cannot leave member agencies. The state requires the board to lay out what it thinks will make the basin sustainable, as well as to describe how that will be done in the GSP.

It may not be appropriate to start with a rigid approach that the MGA should not do any projects. Since the MGA is responsible for the entire basin, it may have a role in projects that would benefit the entire basin, such as levying fees against non-de minimis well owners, or groundwater recharge.

Whether the MGA would administer these projects remains up for discussion.

The MGA might take on little projects, for example monitoring for subsidence or stream interaction, which the MGA needs to monitor and the individual agencies may not want to otherwise do this on their own, especially since these basin monitoring reports need to come from the MGA.

The board approach has been for the MGA not to become a bureaucracy that deals with billing and collection from private well owners, and to leave the major work on the major

projects to the member agencies. It was recommended that the board not bind the Advisory Committee, but communicate its inclination that the MGA will be a basin-planning agency that looks to member agencies for project development, implementation, and financing of management actions and/or projects to achieve basin sustainability. The board may consider smaller projects when appropriate for private pumpers, including possible financing mechanisms. Also to direct the Advisory Committee to be as inclusive as possible with regard to the list of possible projects in Section 4.

The Advisory Committee may need some definition of what “planning” means for the GSP. There may be overlap between what the City and the District do, as well as overlapping effects on the basin as seen in the groundwater model. Either the board or the Advisory Committee needs to define the process for making sure the GSP is more than just what the City and the District decide to do. The board doesn’t want to tie the hands of the Advisory Committee but it seems the Committee does need some direction on how to proceed.

On the role of the MGA, agreement that it is basically planning, with perhaps a role on smaller “orphan” projects?

For this discussion, it would be helpful to have input from the financial and rate planning consultants (Raftelis) to provide a better understanding on budget and financing schemes to support the sustainability efforts.

- We expect additional information from the rate planning consultants working under the County’s Stressed Basins grant award will be coming in January.

Assuming the board agrees to generally stay away from projects, leaving projects on the list does not create an inference that the agency will do them. The board would, however, need to review and approve potential projects.

The role of the MGA needs to include funding. There may be funding available specifically for GSPs, which would be available to the MGA but not the member agencies.

Agreement that the MGA will be the basin-planning agency and could play a role in funding? Consensus reached, motion to follow.

Next is board direction to the Advisory Committee on projects and management actions to be included in the GSP.

- Two questions are presented in the Staff Report near the top of Page 27. The board could let the Advisory Committee do its work and bring the GSP to the board. Alternatively, the board could provide direction to the Advisory Committee based on the work so far. There are a range of possibilities.

Regarding Page 24, 1.b, and the possible role for the MGA in funding, would that be generating funding for projects initiated by the MGA, or by anybody in the basin?

- It is not defined. The GSA formation committee discussed the possibility of broad-scale financial collection from, for example, those who were not part of a municipal water agency, to fund what may need to be done to achieve sustainability. Instead of asking the County to do it outside the water purveyor boundaries, the MGA would have the authority to do that. The MGA has the authority to do this, but it was only raised as a possibility.

This is the agency authority as defined in SGMA?

- Yes. The JPA has all the conveyed powers of the County and the other member agencies, and can basically do anything the County can do within the realm of the groundwater sustainability planning process.

Are there staff comments for what should be included in Sections 4 and 5?

- The Pajaro Valley Water Management Agency (PVWMA) was in a similar situation and was unsure how to best address the issues in their basin, so they identified possible projects, selected their top three to start, and have been evaluating progress.
- It is difficult to get a water project done in this region. The MGA also can play an important role in helping to inform and educate the public about the actions necessary to bring the basin into sustainability with the goal of conveying how specific water projects can help this happen.
- With regard to whether to go narrow or broad on including projects in the GSP, the State has clearly said that agencies seeking funding support for a specific project benefitting groundwater, it should be included in the GSP.

Part of the direction is for the Advisory Committee to consider all projects identified “so far”, but other language says that the Advisory Committee should consider “any other ideas that might come to light”. Limiting board direction to projects that have already been considered would be helpful for the Advisory Committee.

The board does not want the Advisory Committee going back to square one since there has been so much work and opportunity for public input along the way of developing, nor is there time to go back given the deadline to have the GSP completed in the next year.

- Also, there is no doubt that sea water intrusion is threatening our basin that needs to be addressed.

Proposed motion. First, on the role of the MGA, that the MGA will be the basin- planning agency and could play a limited role in funding projects. On the issue of management actions and projects to include in Section 4 of the GSP, to include projects under consideration by the District and the City.

That language may be too limiting in Section 4. The staff recommendation was to be as inclusive as possible in Section 4. It was requested that the board direct the Advisory Committee to consider the projects set out in Attachment B, but not limit the language to the projects of the City and District.

Recommended that for Section 4, the board direct the Advisory Committee to be inclusive regarding the projects and management actions in Attachment B.

- This provides a basis to start from. There may be a few things that become viable due to new funding sources, such as for outreach to the domestic wells.
- All the agencies are represented in the projects identified in Attachment B, and for water conservation as a management action, everyone is involved.

Agreement to direct the Advisory Committee to be inclusive in the projects and management actions to be described in Section 4, including, but not limited to, the projects and management actions identified in Attachment B.

Is Section 5 designed to be a deeper dive, a paring down of the projects?

- Section 5 sets a path forward for what appear to be viable projects at this time, such as Pure Water Soquel, City water transfers, water exchanges, and aquifer storage and recovery (ASR) types of projects. Until these are found not to be viable, they should be included in the implementation planning section of the GSP. If something doesn't work out, there are projects in Section 4 to fall back on. Section 5 will then be updated every 5 years.

The list of projects in Section 5 would include Pure Water Soquel, river water transfers, ASR, year-round in lieu, and managed aquifer recharge or stormwater capture.

Anything else to add to this list as priorities in Section 5?

- The terminology might change, but that list seems complete.

The list does not need to be specific since none of the projects are ready to go.

- The board might say “projects like these, but not limited to.”

For the first part of the motion, the MGA will be the basin-planning agency and could play a limited role in funding projects and/or management actions. Section 4 will be inclusive

of, but not limited to, the projects and management actions identified in Attachment B. Section 5 will focus on identified projects that are currently in process, including, but not limited to, Pure Water Soquel, river water transfers, in-lieu, ASR, and managed aquifer recharge.

The Advisory Committee will need to come up with the specifics for implementation of the GSP; the board is not intending to micromanage the work of the Advisory Committee.

Public Comments:

Tom Wyner of Cabrillo College and member of the Advisory Committee stated that the board does seem to be micromanaging the Advisory Committee. Projects are moving forward while the Committee is debating sustainable levels and approvals. By the time the Advisory Committee renders judgment, he contends the ship may have already sailed before the work of the Advisory Committee is completed.

MOTION: Mr. Baskin; Second: Mr. Kennedy. To acknowledge the Board's current sense of the MGA's role as the basin-planning agency that could play a limited role in funding projects and/or management actions. Section 4.0 [Projects and Management Actions to Achieve Sustainability Goal] of the MGA's Groundwater Sustainability Plan will include, but not be limited to, all projects and management actions presented in Attachment B (Agenda Item 5.1.2, Working Draft Water Supply Augmentation Options for the Santa Cruz Mid-County Groundwater Basin). Section 5.0 [Plan Implementation] of the MGA's Groundwater Sustainability Plan will focus on those member agency programs and projects that are currently being implemented or are in development including, but not limited to, river water transfers, in lieu recharge, Pure Water Soquel, aquifer storage and recovery, and managed aquifer recharge. Motion approved unanimously.

6. Informational updates.

6.1 Summary Tables

Staff summarized highlights from two graphs created by Montgomery & Associates. One includes high-level modeling assumptions and includes pumping demands by the member agencies and non-municipal pumpers. There are comments that the District's demand projections may have been too aggressive. As for sea-level rise projections, instead of a 1.5 foot rise, it may be closer to a 2.3 foot rise.

The other table looks at modeling scenarios. These include the return from septic tanks and how much goes down into the aquifers to benefit water levels. They did a modeling run to see the effect of reducing the septic returns from 90% to 50% and it did not have much effect. They also did a modeling run to simulate reduced municipal pumping by

1,500 acre feet; the modeling shows that did not solve the Aromas shortage problems, so that gives a sense of the magnitude of the issue. These show the challenges facing the basin.

6.2 GSP Advisory Committee Update

The GSP Advisory Committee is starting to see the results of the groundwater modeling for specific management actions, such as possible ASR. The Committee is realizing that this is a complicated process and proposed projects will have different effects on different layers of the aquifer and the key aquifer layers, such sources of drinking water. The decision matrix is going to be complicated. It is beginning to be clear the basin will need more of a water supply, so the GSP will need to put weight on proposals for augmented supply, and understand how they interact. The Advisory Committee is getting to a level of specificity on the various proposals and their impact, and is interested in feedback from the MGA Board on what level of detail will need to be included in the GSP.

The modeling runs provide the best information available and are useful. The modeling runs show how ASR could impact the basin, how sustainability criteria are defined, and over what period of time it is measured. The motion passed tonight makes clear that there has to be a symbiotic relationship between the GSP and the projects of the different agencies. The challenge will be to make all of this come together, and the GSP is where that will happen.

6.3 GSP Advisory Committee Summaries

No board discussion.

6.4 Outreach Report

MGA had a station at the Water Harvest Festival in October, where the public had an opportunity to learn about groundwater and see a visual representation of a groundwater model.

6.5 Board Member Reports

The District previously submitted a Phase 1 application for a Proposition 1 grant to the State Water Resources Control Board for the Pure Water Soquel project, and the District has now been invited back to submit a Phase 2 application. The District is producing an application. The maximum grant award is \$50 million.

6.6 Staff reports:

The Santa Margarita Groundwater Agency is hosting a series of workshops for their community at Felton Community Hall in January, February and March. Although this is a different basin, the sessions cover pertinent topics that may be of interest.

Board member question: How is the MGA doing in terms of the schedule and deadlines?

- The Advisory Committee is about where it needs to be, and should finish its work by June 2019.
- Staff is wrapping up all available pieces of Section 2 and expects to have the remaining information for Section 2 (that are not related to Sections 4 and 5) from Montgomery and Associates by the end of 2018. Section 3 is primarily the work of the Advisory Committee, and progress on that section is ongoing. The regulations require a significant amount of detail and basin coordination.

Board member question: Does staff need assistance with this?

- This is an ongoing conversation. The GSP is essentially on target, and staff have a sense of what DWR needs. Since there had already been a great deal of work on the basin, there is that much more information to present to DWR.
- The GSP is in good shape, but this is a non-linear process and the work demands will speed up at the end. There is still a lot to be done, but the MGA is probably ahead of many other groundwater sustainability agencies.

The GSP planning grant award from DWR has been executed. We will begin reporting to DWR in 2019. The MGA is able to request grant reimbursement for prior, eligible GSP development expenses.

DWR is stressing getting the GSP completed by the deadline, to do the best job possible, but recognize that there will future opportunities to update and improve upon the initial GSP.

At the next Advisory Committee meeting on December 12, Brian Lockwood, the general manager of the PVWMA, will be giving a presentation on work in our neighboring basin.

7. Future Agenda items:

Discussions on possible fee options is planned for early 2019. Staff will send out a survey for board members to rate their priority objectives for designing possible fee structures.

Board member request for a presentation to the board on the groundwater model before the GSP is presented to the board.

8. Adjournment at 8:10

SUBMITTED BY:

APPROVED BY:

Regional Water Management Foundation

Secretary
Santa Cruz Mid-County Groundwater Agency