



SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
Board of Directors Remote-Access Meeting

Thursday, June 18, 2020
7:00 – 9:00 p.m.

MINUTES

1. Call to Order

The meeting was called to order at 7:00 by Chair LaHue.

In response to COVID-19, and pursuant to Executive Order N-29-20, the meeting was conducted via teleconferencing. Chair LaHue provided directions and guidance for participation in the remote-access meeting.

2. Roll Call

Directors present: Curt Abramson, David Baskin, Bruce Daniels, Zach Friend, Jon Kennedy, Jim Kerr, Tom LaHue, Cynthia Mathews, and Marco Romanini.

Directors absent: John Leopold, Rob Marani.

Staff present: Ralph Bracamonte, Ron Duncan, Rosemary Menard, Tim Carson, Sierra Ryan, Laura Partch.

Others present: A representative of the Department of Water Resources (DWR) and approximately 2 members of the public.

3. Oral Communications for Items Not on the Agenda

Becky Steinbruner appreciated receiving the Groundwater Sustainability Plan (GSP) on a thumb drive, and said she is moving forward with her legal challenges to the Pure Water Soquel (PWS) project.

Brian Lockwood, General Manager of Pajaro Valley Water Management Agency (PVWMA), provided an update on PVWMA's Alternate GSP, which was approved July 2019. A key project is the development of water supply facilities/pipelines to deliver water to coastal areas, reduce groundwater extraction, and help prevent seawater intrusion. PVWMA received a \$3 million DWR grant to extend a coastal distribution system, which will be operational in 2021. Since water demand is twice

that of supply, additional supplies are needed. The PVWMA Board approved the College Lake Integrated Resources Management Project, and is seeking grants to complete the project by the end of 2023, and is also developing Watsonville Slough System Managed Aquifer Recharge and Recovery Projects.

4. Consent Agenda

- 4.1 Approve Minutes from January 16, 2020, Board Meeting (no memo)
- 4.2 Acknowledge Member Agency Board Appointments
- 4.3 Approve Letters of Support for the Pajaro Valley Water Management Agency's College Lake Integrated Resources Management Project

MOTION: Director Baskin; Second, Director Daniels. To approve the consent agenda. Motion passed unanimously by roll call vote: Directors Abramson, Baskin, Daniels, Friend, Kennedy, Kerr, LaHue, Mathews, and Romanini.

5. General Business

- 5.1 Review Budget for Fiscal Year 2019-2020 and Proposed Budget for 2020-2021

Staff reported major tasks have been re-categorized slightly for the coming year as the Santa Cruz Mid-County Groundwater Agency (MGA) moves from GSP planning and development into implementation. With the receipt of grant reimbursements, member agency contributions are not requested for the next fiscal year.

In Table 1, the beginning reserves reflect past agency contributions and grant reimbursement. The operating budget was \$1.3 million, but activity was less than budgeted; because of the focus on the GSP, monitoring expansion has not yet begun. The amount increases next year as monitoring network expansion will begin, and includes \$500,000 in DWR grant funding. Reserve contingencies changed from 5% to 10% because of increased uncertainties and the timing of the grant reimbursements.

In Table 2, categories of operating expenses in FY 2019/20 and 2020/21 are mostly the same, with slight increases. A new category, Planning/ Program Staff Support, under Management and Coordination, is a broad catch-all for additional member agency or Regional Water Management Foundation (RWMF) staff expenses for various activities that support the GSP implementation. Upcoming activities include monitoring network expansion, new monitoring wells, Data Management Systems (DMS) and a start of the groundwater extraction metering program for non de minimus users and high-priority users as designated by the County. Most of this work will be reimbursed by the two DWR Sustainable Groundwater Management Program grants, which were combined into one \$2 million grant. Also in the budget

is the annual report on the GSP, due on April 1st each year. Outreach is currently scaled back, particularly with the pandemic, but will be ongoing in the next fiscal year.

Board Comment:

With no additional funding for GSP Development, how will the MGA pay for additional work that might be required by DWR?

- Staff could use the \$40K under Planning/Program Staff Support, which is intended to provide supplemental staff support as needed.

Is the money for Planning/Program Staff Support for additional staff costs beyond MGA administration?

- Yes, these funds are distinct from current administrative tasks, and are essentially intended to cover extra tasks by member agency staff.

Will the MGA be responding to public comments submitted to DWR?

- DWR received comments from 13 different commenters, most of which were similar to those received on the GSP draft, and many acknowledged the changes made. The MGA will not address the comments to DWR. DWR will also not respond to the comments received, but will review the comments, may request additional information.

The assumption is DWR could approve or deny the GSP, and if denied, the MGA would have the opportunity to respond or make corrections within a time frame.

Public Comment:

Becky Steinbruner responded to board discussion regarding comments on the GSP, asked how future GSP work would be funded, questioned the delay for work on the monitoring network and decreased funding, requested an independent treasurer for the MGA, and asked about the use of past and future outreach funds.

- Staff responded that the grant budget amount has not changed. Due to the focus on GSP, monitoring well expansion was not started in the past year, but the funding is allocated and the work will begin next fiscal year.

DWR representative Amanda Peisch Derby confirmed that while DWR is required to receive and consider public comments, it does not plan to reply to individual commenters or agencies, except in rare cases where specific information is needed.

MOTION: Director Baskin; Second, Director Daniels. To approve the proposed MGA planning budget for FY 2020/2021. Motion passed unanimously by roll call vote: Directors Baskin, Daniels, Friend, Kennedy, Kerr, LaHue, Mathews, and Romanini. Director Abramson, absent.

5.2 Ratify Santa Cruz Mid-County Basin Water Year 2019 Annual Report
http://www.midcountygroundwater.org/sites/default/files/uploads/WY2019_MGA_AnnualReportFinal_web.pdf

This item was originally on the March agenda. Staff reported the Annual Report is posted on the MGA website. The Report's executive summary highlights improvements in groundwater conditions as well as issues still to be addressed.

Board Comment:

Despite improvements noted in the report, local groundwater remains at risk of seawater intrusion.

Public Comment:

Becky Steinbruner appreciated the report's good news, said her legal challenge to PWS should have been included, requested a focus on the Pajaro subbasin and its positive influence on groundwater levels in the Aromas Red Sands Aquifer, and requested information on the amount of water required for injection wells.

MOTION: Director Baskin; Second, Director Romanini. To receive the Basin Water Year 2019 Annual Report and to ratify its submittal by the Basin Point of Contact to DWR in accordance with California Code of Regulations, Tit.23, secs 353.4 and 356.2. Motion passed unanimously by roll call vote: Directors Baskin, Daniels, Friend, Kennedy, Kerr, LaHue, Mathews, and Romanini. Director Abramson, absent.

5.3 Approve Contract Change Order for Montgomery & Associates
Contract 2020-02 Groundwater Sustainability Plan (GSP) Annual
Report Preparation

At the January Board meeting the Board was advised that, pursuant to governing procurement policies, a \$50,000 contract had been executed with Montgomery & Associates to prepare the Annual Report. The Board was informed that if optional items in the contract were required, the matter would come back to the Board. An additional \$5,000 was required to organize monitoring well data, complete and upload it to DWR, the contract total increased to \$55,000, requiring Board approval.

MOTION: Director Mathews; Second, Director Romanini. To approve the issuance of a contract change order in the amount of \$5,000 for work by Montgomery & Associates in support of the submittal of the GSP first Annual Report. Motion passed unanimously by roll call vote: Directors Abramson, Baskin, Daniels, Friend, Kennedy, Kerr, LaHue, Mathews, and Romanini.

5.4 Approve Contract with Regional Water Management Foundation for Staff Support in FY 2020-21

Member agency executive staff recommended that the Board approve the FY 20-21 RWMF contract, not to exceed \$129,600. Executive staff commended the work of the RWMF in providing administrative support, pursuing funding opportunities, and managing the DWR grants. Executive staff also stated that RWMF's coordination of regional resources and collaborative efforts to meet the needs of the member agencies has been critical to the success of the MGA.

Board Comment:

Concurrence with executive staff comments, and that the work of the RWMF is remarkably cost effective for the administration of a public agency.

Public Comment:

Becky Steinbruner appreciated the work of the RWMF, requested clarification as to past work and work under this contract, and expressed concerns regarding the role of the Community Foundation Santa Cruz County since it is not a public agency.

- Staff responded that Darcy Pruitt worked on the development of the GSP; ongoing administrative work is done by Tim Carson and Laura Partch.

MOTION: Director Daniels; Second, Director Romanini. To authorize the Board Chair to execute a contract not to exceed \$129,600 with the RWMF for the scope of work in Attachment 1 and authorize the General Manager of Soquel Creek Water District to sign a purchase order for the work to be performed by the RWMF in the amount indicated. Motion passed unanimously by roll call vote: Directors Abramson, Baskin, Daniels, Friend, Kennedy, Kerr, LaHue, Mathews, and Romanini.

6. Informational Updates

6.1 Treasurer's Report

The Treasurer's Report is standard, required by law. Staff reported that MGA recently hired a new auditor and is in the midst of a mid-term audit. Any questions could be relayed to the MGA Treasurer.

Board Comment:

With the amount of funds in a checking account, should it be earning interest?

- The money moves quickly, and transfers might jeopardize cash flow.

Public Comment:

Becky Steinbruner requested the MGA move its accounts from Wells Fargo Bank to a local bank with a better reputation and requested an explanation regarding how amounts in the Treasurer's Report relate to those in the recently-approved budget.

6.2 Staff Reports

6.2.1 Trout Unlimited Scope and Budget

Staff reported that Trout Unlimited, under a grant from the Resource Conservation District of Santa Cruz County, had installed and maintained stream gages along Upper Soquel Creek. As that grant recently ended, the MGA entered into a contract with Trout Unlimited to continue management of the gages. These may not end up being sites of ongoing monitoring by the MGA, but as the gages were in place this was a low-cost opportunity to continue to collect ongoing stream monitoring data.

Board Comment:

Are the previous reports available for review?

- Staff will try to post them on the MGA website.

A request was made for the MGA to explore access and/or ownership to previous data in case it is needed in the future.

- As previous data was grant funded, MGA should have access to the data.

This is a great partnership and a wise investment of modest amount of money, the kind of project that would be very appealing to the public.

6.2.2: MGA Letter to Coastal Commission

An MGA letter in support of PWS was sent to the California Coastal Commission.

Public Comment:

Becky Steinbruner is appealing this decision of the Coastal Commission.

6.2.3: Oral Report on GSP Comments Submitted to DWR

Staff member Sierra Ryan, the MGA Basin Point of Contact, reported that the GSP comment period ended on June 3rd. DWR received 29 individual comments by 13 individual commenters. Seventeen comments were received after the close of the comment period. All the comments are available on the SMGA Portal.

7. Future Agenda Items

Board Requests:

A staff discussion on key areas in the annual report specifically seawater intrusion and changes in key monitoring wells.

Director Daniels offered to provide information on climate change developments that may impact Basin GSP implementation.

Public Requests:

Becky Steinbruner requested the MGA consider: pursuing State Water Board grant funds for a second, smaller SkyTem study to get a sense of how things are changing; cooperatively managed groundwater recharge projects in the Aromas Red Sands area; and that a hard copy of the draft GSP be made available at a library.

8. Written Communications and Submitted Materials

9. Adjournment

The meeting was adjourned at 8:22 p.m.