



SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

AGENDA PACKET

REGULAR BOARD MEETING

June 12, 2025 AT 6:00 P.M.

CAPITOLA LIBRARY, 2005 WHARF ROAD, CAPITOLA

The public may attend and provide public comment in person.

The meeting will also be publicly streamed (viewing only) via Zoom webinar:

<https://us06web.zoom.us/j/89124123360>

Webinar ID: 891 2412 3360; Webinar audio by phone +1 669 444 9171

Disability Access

The meeting room is wheelchair accessible. Please contact Sophia Sholtz at admin@midcountygroundwater.org or 831.662.2055 if you need assistance in order to participate in a public meeting or if you need the agenda and public documents modified as required by Section 202 of the Americans with Disabilities Act



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MGA Acronyms and/or Defined Terms

AF – Acre Foot

ACWA – Association of California
Water Agencies

ACWA JPIA – ACWA Joint Powers
Insurance Authority

ASR – Aquifer Storage and Recovery

Basin – Santa Cruz Mid-County
Groundwater Agency

BMP – Best Management Practices

City – City of Santa Cruz

CEQA – California Environmental
Quality Act

County – County of Santa Cruz

CWD - Central Water District

DWR – Department of Water
Resources

EIR – Environmental Impact Report

FY – Fiscal Year

GSA – Groundwater Sustainability
Agency

GSP - Groundwater Sustainability
Plan

IRWM – Integrated Regional Water
Management

JPA – Joint Powers Agreement

LAFCO – Local Agency Formation
Committee

MGA – Santa Cruz Mid-County
Groundwater Agency

MOA – Memorandum of Agreement

MOU – Memorandum of
Understanding

PWS – Pure Water Soquel

PV Water – Pajaro Valley Water
Management Agency

RCD – Resource Conservation District
of Santa Cruz County

RMP – Representative Monitoring
Points

RWMF – Regional Water
Management Foundation

RFP – Request for Proposals

RFQ – Request for Qualifications

SCWD – City of Santa Cruz Water
Department

SGMA – Sustainable Groundwater
Management Act

SGMI Grant – Sustainable
Groundwater Management
Implementation Grant

SMC – Sustainable Management
Criteria

SMGWA – Santa Margarita
Groundwater Agency

SqCWD – Soquel Creek Water
District

SWRCB – State Water Resources
Control Board

SWIP – Seawater Intrusion
Prevention

WASC – Water Supply Advisory
Committee

WY – Water Year



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GUIDANCE FOR ORAL AND WRITTEN COMMUNICATIONS AND DISABILITY ACCESS

ORAL COMMUNICATIONS

MGA Board meeting agendas set aside time for oral communications regarding items not on the agenda but within the purview of the MGA. Oral communications are also heard during the consideration of an agenda item.

Anyone wishing to provide public comment should come to the front of the room to be recognized by the Board Chair. Individual comments are limited to three (3) minutes; a maximum time of 15 minutes is set aside each time for oral communications. The time limits may be increased or decreased at the Board Chair's discretion. Speakers must address the entire Board; dialogue is not permitted between speakers and other members of the public or Board members, or among Board members.

While the Board may not take any action based upon oral communications, an issue raised during oral communications may be placed on the agenda for a future Board meeting.

Organized groups wishing to make an oral presentation to the Board may contact Sophia Sholtz at 831-662-2055 or admin@midcountygroundwater.org, preferably at least two weeks prior to the meeting.

WRITTEN COMMUNICATIONS

Written communications to the Santa Cruz Mid-County Groundwater Agency (MGA) Board may be submitted as follows:

- Via email: comment@midcountygroundwater.org
- Via mail or hand delivery: MGA Board of Directors, c/o Emma Western, 5180 Soquel Drive, Soquel, CA 95073

Deadlines for Submittal:

- Written communications received by 4:00 p.m. on the Tuesday of the week prior to a regularly scheduled (Thursday) Board meeting will be distributed to the Board and made available on the MGA's [website](#) at the time the Agenda is posted.
- Written communications received after the 4:00 p.m. deadline will be posted on the MGA [website](#) and Board members informed of the communications at the earliest opportunity. Please note, communications received after 9:00 a.m. the day before the Board Meeting may not have time to reach Board members, nor be read by them prior to consideration of an item.
- Written communications received at a Board meeting will be distributed to Board members and posted on the MGA [website](#) at the earliest opportunity.

Any written communication submitted to the Board will be made available on the MGA website at <http://www.midcountygroundwater.org/committee-meetings> and constitutes a public record. Please do not include any private information in your communication that you do not want made available to the public.

DISABILITY ACCESS: Please contact Sophia Sholtz at admin@midcountygroundwater.org or 831-662-2055 for information or to request an accommodation.



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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

Board of Directors Meeting

Thursday, June 12, 2025, at 6:00 p.m.

Capitola Branch Library, 2005 Wharf Road, Capitola

AGENDA

The public may attend and provide public comment in person.

The meeting will also be publicly streamed (viewing only) via Zoom webinar:

<https://us06web.zoom.us/j/89124123360>

Webinar ID: 891 2412 3360; Webinar audio by phone +1 669 444 9171

1. **Call to Order**
2. **Roll Call**
3. **Oral Communications Related to Items Not on the Agenda**
Issues within the purview of the Santa Cruz Mid-County Groundwater Agency. Guidelines attached.
4. **Consent Agenda - pg 6**
 - 4.1 Approve March 20, 2025 Meeting Minutes
 - 4.2 Approve Contract with Montgomery & Associates for Planning and Technical Services for Groundwater Sustainability Plan Implementation and Reporting for Fiscal Year 2025-26 (Year 1)
 - 4.3 Approve Regional Water Management Foundation Sustainable Groundwater Management Implementation Grant Administrative Services for Fiscal Year 2025-2026 (Year 4)
5. **General Business - pg 31**
 - 5.1 Consider Proposed Annual Budget for Fiscal Year 2025-2026
 - 5.2 Receive Update on Sustainable Groundwater Management Act Compliance Funding Options Assessment
6. **Informational Updates - pg 44**
 - 6.1 Treasurer's Report

6.2 Staff Reports

- GSP Implementation Status Update
- SGMI Grant Update
- Other

7. Future Agenda Items

8. Written Communications and Submitted Materials

Written communications received by 4:00 p.m. on the Tuesday of the week prior to a regularly scheduled (Thursday) Board meeting will be distributed to the Board and made available on the MGA website at the time the Agenda is posted.

9. Adjournment

Next Board Meeting: September 18, 2025



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**SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
Board of Directors Meeting**

Thursday, March 20, 2025, at 6:00 p.m.
Capitola Branch Library, 2005 Wharf Road, Capitola
Meeting webcast (via Zoom) for remote viewing.

MINUTES

1. Call to Order

The meeting was called to order at 6:02 pm by Chair Kennedy.

2. Roll Call

Directors present: (Alternates acting as voting Directors shown in *italics*)

Jon Kennedy (Chair) – Private Well Owner

David Baskin (Vice Chair) – City of Santa Cruz

Jim Kerr (Secretary) – Private Well Owner

Curt Abramson – Private Well Owner

Carla Christensen – Soquel Creek Water District

Kim De Serpa – County of Santa Cruz (late arrival 6:07 pm)

Bruce Jaffe – Soquel Creek Water District

Robert Marani – Central Water District

Susie O'Hara – City of Santa Cruz

Shane Mckeithen – County of Santa Cruz

Alternates present as non-voting observers:

Doug Engfer (remote) – City of Santa Cruz

Robert Schultz – Private Well Owner

Member Agency Staff present:

Heidi Luckenbach – City of Santa Cruz

Melanie Mow Schumacher – Soquel Creek Water District

Sierra Ryan – County of Santa Cruz

Ralph Bracamonte – Central Water District

Supporting Staff and Consultants:

Tim Carson, Rob Swartz, Sophia Sholtz – Regional Water Management Foundation (RWMF)

Georgina King (remote) – Montgomery & Associates (M&A)

Ryan Aston (remote), Alex Flink (remote) – SCI Consulting Group (SCI)

Mia Van Docto (remote) – Trout Unlimited (TU)

3. Oral Communications Related to Items Not on the Agenda

No questions or comments were received on the item.

4. Consent Agenda

4.1 Approve December 12, 2024 Meeting Minutes

4.2 Acknowledge 2025 MGA Board Appointments

MOTION: Director Kerr; Second: Director O'Hara; to approve the consent agenda. Director Baskin and Director Jaffe abstained from item 4.1 due to their absence from the December 12, 2024 meeting. Motion passed unanimously.

5. General Business

5.1 Approve Submittal of Santa Cruz Mid-County Basin Water Year 2024 Annual Report to the Department of Water Resources

Georgina King presented on the submittal of the Santa Cruz Mid-County Basin 6th Annual Report for Water Year 2024 (WY24). Due to the presence of new Directors, the presentation included a Groundwater Sustainability Plan (GSP) overview in addition to the Annual Report key takeaways.

The Basin is classified as a high-priority groundwater basin in critical overdraft due to the ongoing threat of seawater intrusion. For WY24, 56% of the Basin's water supply to residents, businesses, industry, and agriculture is from groundwater. Between 4,700 and 5,600 acre-feet per year (AF/yr) of groundwater is pumped from the Basin, and an additional 2,900 to 4,000 AF/yr of surface water is sourced to meet Basin demand within the City of Santa Cruz water service area, since 2015.

The Santa Cruz Mid-County Groundwater Agency (MGA)'s GSP addresses 5 of 6 sustainability indicators: lowering groundwater levels, seawater intrusion, reduction of storage, degraded quality, surface water depletion. The last sustainability indicator, land subsidence, is not relevant to the MGA's Basin.

Georgina King gave an overview of the MGA's timeline for the Sustainable Groundwater Management Act (SGMA) implementation and important milestones.

She noted that the MGA is currently one-quarter of the way through the SGMA compliance timeline as of January 2025 and is expected to meet sustainability criteria by 2040, 20 years after the GSP was submitted and subsequently accepted.

Georgina King reviewed the Sustainable Management Criteria (SMC) for applicable sustainability indicators to give an overview of the Basin's health and sustainability:

Seawater Intrusion: 27 of 36 wells have chloride concentrations that are within the target range, there are 6 wells that do not fall within the target range of chloride concentration, and there are Undesirable Results occurring at 3 of those 6 wells.

Chronic Lowering of Groundwater Levels: The Measurable Objective was met at both Representative Monitoring Points (RMPs), and there are no wells that are measuring below the minimum threshold for groundwater levels.

Reduction of Groundwater in Storage: None of the three aquifer groups met the measurable objectives, one of three aquifer groups did not meet minimum threshold requirements, and Undesirable Results occurred due to pumping being greater than the minimum threshold for one aquifer group.

Degradation of Groundwater Quality: The Measurable Objectives have been met at several RMPs, a few RMPs showed an excess of iron, manganese, total dissolved solids, and chloride, though those results were due exclusively to preexisting conditions, so no Undesirable Results were noted.

Depletion of Interconnected Surface Water: One RMP met its measurable objective, one RMP has groundwater elevations that are below the minimum threshold. Due to the presence of RMPs that have groundwater elevations below the minimum threshold, there are Undesirable Results.

Despite the presence of Undesirable Results in the Basin, the MGA has until 2040 to make improvements. It is expected that as more projects come online (e.g. Pure Water Soquel), the SMCs that are of concern will continue to improve past the minimum threshold level.

Georgina King and Rob Swartz answered questions from Directors on the depth and location of monitoring wells, as well as the type of land use (agricultural, industrial, etc.) where the wells are located.

Public comment: Becky Steinbruner commented.

MOTION: Director O'Hara; Second: Director Baskin; to approve submittal of a transmittal letter and the Santa Cruz Mid-County Basin Water Year 2024 Annual Report from the MGA Basin Point of Contact to the Department of Water Resources in accordance with California Code of Regulations, Title 23 §353.4 and §356.2. Motion passed unanimously.

5.2 Review Budget for Fiscal Year 2024-2025 and Provide Direction on Preliminary Budget for Fiscal Year 2025-2026

Tim Carson reviewed the approved Fiscal Year 2024-2025 (FY 24/25) budget and projected totals and the preliminary budget for FY 25/26.

The beginning reserves in FY 24/25 total \$1.85 million and are projected at \$1.36 million in FY 25/26. The MGA is currently maintaining higher general reserves due to the potential for delays in grant reimbursements. The proposed budget for FY 25/26 draws down reserves by about \$400,000.

In FY 24/25 and FY 25/26, operating revenue (\$500,000 annually) is mainly from the California Department of Water Resources (DWR) Sustainable Groundwater Management Implementation Grant (SGMI Grant). Member Agency contributions were not collected in FY 24/25 and are not proposed in FY 25/26 because there are sufficient funds in General Reserves. In FY 25/26, operating revenue (\$75,000) from the Member Agencies will cover the portion of grant administration that is not covered by the SGMI Grant.

The operating expenses were presented by major budget category, which include Administration, Legal, Monitoring activities in the Basin, GSP Reporting, and Outreach. The projected operating expenses for FY 24/25 total \$1,063,402. The proposed operating expenses for FY 25/26 total \$903,000.

The ending reserves in FY 24/25 are projected to be \$1.36 million and are projected at \$1.03 million in FY 25/26. The ending reserves include a contingency fee (10%) based on total operating expenses.

Alternate Director Mckeithen noted the significant decrease in the budget for monitoring seawater intrusion. Tim Carson responded that grant funds applicable to seawater intrusion are available through calendar year 2025, so an effort was made to conduct as much work as possible before those funds expire.

Chair Kennedy requested clarification on how much of the current year's operating expenses were paid for by the Agency. Tim Carson responded that a significant portion of FY 24/25 is covered the DWR grants.

No public comments were received on the item.

MOTION: Director Baskin; Second: Director Jaffe; to direct staff to return in June with a finalized FY25/26 budget. Motion passed unanimously.

5.3 Consider Consultant Selection for Planning and Technical Services

Rob Swartz reviewed the history of the consultant contract currently held by Montgomery and Associates for planning and technical services. Montgomery and Associates was selected in 2020 for their major technical and planning support services and their contract was extended an additional two years per county regulations in 2023. After five years, potential contracts need to be put out for competitive solicitation via request for qualifications; Montgomery and Associates was the only response to the solicitation effort conducted in early February.

Public Comment: Becky Steinbruner commented.

MOTION: Director Jaffe; Second: Director Mckeithen; to approve consultant selection of Montgomery & Associates for planning and technical services. Motion passed unanimously.

5.4 Consider Amendment to Funding Agreement with the County of Santa Cruz for Planning and Administrative Services and Data Management System

Sierra Ryan provided information on the proposed renewal of a funding agreement between the County of Santa Cruz and the MGA. The County, as a member agency of both the MGA and the Santa Margarita Groundwater Agency (SMGWA) administers two contracts on behalf of the Groundwater Sustainability Agencies for work in support of SGMA implementation. KISTERS and RWMF provide their services to both MGA and SMGWA. KISTERS provides the required data management system. The RWMF provides administrative and planning services. Both the MGA and SMGWA have revenue agreements with the County to reimburse the cost of services rendered by KISTERS and the RWMF. Both contracts began on July 1, 2022 and expire on June 30, 2025.

Under County purchasing guidelines, contracts may be for up to three-years, with the option to extend for up to an additional two years. Sierra Ryan reported that she requested proposals with cost estimates from both organizations to provide services for an additional two-years. For the additional two-years, the MGA's portion of the estimated cost from KISTERS is approximately \$31,436; the MGA's portion of the RWMF's costs totals \$514,972.

The SMGWA Board of Directors approved an additional two-year revenue agreement at their February 27, 2025 meeting. The Executive Team recommends that the Board renew the revenue agreement with the County for an additional two years.

No questions or comments were received on the item.

MOTION: Director Baskin; Second: Director Christensen; to approve and authorize the Soquel Creek Water District General Manager to execute an agreement with the County of Santa Cruz for administrative and planning services, and data management system (DMS) hosting and maintenance, in the amount not-to-exceed \$546,408 for Fiscal Years 2026 and 2027. Motion passed unanimously.

5.5 Receive Update on Sustainable Groundwater Management Act Compliance Funding Options Assessment

Chair Kennedy provided background on the status and estimated timeline for the funding options assessment for SGMA regulatory compliance and made clear the Agency is very early in the process. Rob Swartz provided additional context.

Ryan Aston (SCI Consulting) summarized the information presented and feedback received at the March 17, 2025 public meeting for domestic groundwater users. There were approximately 110 people in attendance in person and 80 remote (online) participants. During the meeting, information was presented on SGMA, the Basin, and the Agency; long-term funding needs; and, potential approaches and considerations as the MGA assesses potential funding options to comply with SMGA.

At the public meeting information was presented on fee types under the California water code and potential fee methodologies, including volumetric fees, parcel-based fees, and a hybrid of those two fee types. Under a hybrid approach, a preliminary cost range to domestic groundwater users was estimated at \$20 to \$45 per parcel annually. Ryan Aston previously presented these approaches to the December 12, 2024 Board meeting.

Alex Flink, SCI Consulting, summarized feedback received from attendees at the March 17, 2025 meeting. He summarized and characterized concerns raised by attendees, grouping comments into common themes, including: questions about the need for a fee and the funding approach; groundwater rights and legal challenges; data accuracy about groundwater usage and parcel records; population growth and water demand from new housing developments; the lack of representation of private well owners and vote in the process, and interest in more opportunity for community input.

Chair Kennedy, who participated in the public meeting, conveyed it was clear from the attendees that spoke and others at the meeting they were strongly opposed to a fee being imposed on private well owners that rely upon groundwater for domestic supply.

After Directors' comments and discussion, the Board directed the staff and consultant to better define the purpose and need for the fee and further explore funding options for Board consideration and direction before conducting additional public outreach.

Public Comment: Becky Steinbruner commented.

MOTION: Director O'Hara; Second: Director Baskin; to return in June with a more comprehensive overview of the process. Motion passed unanimously.

5.6 Conduct Annual Election of Officers

After Board deliberation, Director Kennedy was nominated and elected as the Chair, Director Christensen was nominated and elected as the Vice Chair, and Director Kerr was elected as the Secretary. All elections were majority vote.

No questions or comments were received on the item.

6. Informational Updates

6.1 Treasurer's Report

The Treasurer's Report can be found in the Agenda Packet for review.

No questions or comments were received on the item.

6.2 Staff Reports

- GSP Implementation Status Update

The GSP Implementation Status Update table can be found in the Agenda Packet for review.

No questions or comments were received on the item.

- SGMI Grant Update

The SGMI Grant Update can be found in the Agenda Packet for review.

No questions or comments were received on the item.

- Introduction to Groundwater, Watersheds, and Groundwater Sustainability Plans 2025 Short Course

Short online course by University of California Agriculture and Natural Resources Extension Thursdays April 3, 17, May 1, 15, 29, 2025; 9:00 a.m. – 12:00 p.m. PDT

- Other

No questions or comments were received on this item.

6.3 Agreement with Geophysical Imaging Partners to Analyze 2017 and 2022 Airborne Electromagnetic Data

This item was moved to after Item 6.4 to allow Mia Van Docto to present without undue delay.

A sole-source contract was approved with Geophysical Imaging Partners in between board meetings. The selected source was uniquely qualified to perform the services. The total cost, approximately \$10,000, is below the authorization threshold requiring Board approval.

Rob Swartz added that the executive team is hopeful that they will be able to present results from this service at the following Board meeting in June.

Public Comment: Becky Steinbruner commented.

6.4 Annual Streamflow Monitoring Report – Presentation by Trout Unlimited

Mia Van Docto, Conversation Hydrology Program Director of Trout Unlimited (TU), gave a presentation on annual streamflow monitoring in the Basin. TU is monitoring streamflow at five locations along Soquel Creek and two locations along Aptos Creek. Streamflow monitoring is being conducted to understand the relationship between groundwater and surface water as part of the Basin's sustainable management criteria required under SGMA. Directors posed questions on the effectiveness of current strategies on streamflow management, and if there was meaningful information that could be derived from comparisons between Aptos Creek and Soquel Creek.

Public Comment: Becky Steinbruner commented.

7. Future Agenda Items

No questions or comments were received on this item.

8. Written Communications and Submitted Materials

Written communications can be found at the MGA website.

9. Adjournment

Next Board Meeting: June 12, 2025

SUBMITTED BY:

Sophia Sholtz
*Regional Water Management
Foundation*

Jim Kerr
*Santa Cruz Mid-County Groundwater
Agency*

June 12, 2025

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.2

Title: Approve Contract with Montgomery & Associates for Planning and Technical Services for Groundwater Sustainability Plan Implementation and Reporting for Fiscal Year 2025-2026 (Year 1)

Attachment(s):

1. Montgomery & Associates Scope, Budget, and Schedule, dated June 3, 2025

Recommended Board Action: Authorize the Board Chair to execute a contract with Errol L. Montgomery & Associates to include the Scope of Services in Attachment 1 (Year 1) for an amount not-to-exceed \$185,337; and authorize the General Manager of Soquel Creek Water District to sign a purchase order for services in Fiscal Year 2025–2026 for an amount not to exceed \$185,337.

Background

In January 2025, the Santa Cruz Mid-County Groundwater Agency (MGA) issued a Request for Statements of Qualifications (RFQ) from qualified consultants to provide Planning and Technical Services for Groundwater Sustainability Plan Implementation and Reporting under the Sustainable Groundwater Management Act (SGMA). The purpose was to select a consultant to enter into a multiyear agreement to perform services, including: 1) SGMA Technical Support including hydrogeologic technical support, groundwater modelling and groundwater model enhancements; 2) Annual Reporting on the Groundwater Sustainability Plan (GSP), and 3) Periodic Evaluations of the GSP.

At its meeting on March 20, 2025, the MGA Board approved the selection of Errol L. Montgomery and Associates, Inc. (M&A) to provide these planning and technical services. The term of the contract extends for a period of 3-years from July 1, 2025 to June 30, 2028 with up to two one-year extensions subject to satisfactory performance.

Summary of Proposed Services in FY 2025-2026 (Year 1)

The services proposed by M&A in Fiscal Year 2025-2026 (FY 25/26) are detailed in Attachment 1. A summary of the main task and list of sub-tasks are provided below.

Water Year 2025 Annual Report

The Annual Report must be submitted to California Department of Water Resources (DWR) by April 1, 2026. A draft Annual Report will be prepared by M&A and provided to MGA member agency staff for review by mid-February 2025. Based on comments received by late February 2026, M&A will compile the Annual Report for MGA Board approval at the March 2026 Board meeting. M&A will compile and provide a final draft Annual Report to MGA a

week prior to the Board meeting for inclusion in the Board meeting packet. The final Annual Report will incorporate revisions requested by the MGA Board. Tasks are outlined below.

- Obtain and Evaluate Monitoring Well Data
- Quantify Water Demand and Supply
- Extend Basin Model to Estimate Change of groundwater in storage
- Prepare Annual Report
- Prepare for and Present Annual Report to Board of Directors
- Upload Annual Report and Required Tables to SGMA Portal
- Upload Groundwater Level Data to SGMA Portal

SGMA Technical Support

The subtasks presented under SGMA Technical Support are items that member agency staff and M&A anticipate will be needed over the fiscal year.

- Data Management System
- SGMA Program Developments and DWR Consultation
- Monitoring Network Expansion Support
- Evaluate Seawater Intrusion
- Miscellaneous SGMA Support

Budget

A summary budget is presented below. A detailed budget is in Attachment 1.

Task	Budget
Water Year 2024 GSP Annual Report	\$86,251
SGMA Technical Support	\$99,086
Total	\$185,337

Schedule

Work will be performed July 1, 2025 to June 30, 2026. A detailed schedule for Water Year 2025 GSP Annual Report is in Attachment 1.

Recommended Board Action:

1. By MOTION, authorize the Board Chair to execute a contract with Errol L. Montgomery and Associates to include the Scope of Services in Attachment 1 (Year 1) for an amount not-to-exceed \$185,337; and
2. By MOTION, authorize the General Manager of Soquel Creek Water District to sign a purchase order for services in Fiscal Year 2025–2026 for an amount not to exceed \$185,337.

Submitted By:

Tim Carson

Program Director

Regional Water Management Foundation

On behalf of the MGA Executive Staff

Melanie Mow Schumacher, General Manager, Soquel Creek Water District

Ralph Bracamonte, District Manager, Central Water District

Heidi Luckenbach, Water Director, City of Santa Cruz

Sierra Ryan, Water Resources Manager, County of Santa Cruz



June 3, 2025

Santa Cruz Mid-County Groundwater Agency c/o Mr. Tim Carson
Regional Water Management Foundation
7807 Soquel Drive
Aptos, CA 95003

**SUBJECT: SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
PLANNING AND TECHNICAL SERVICES FOR GSP IMPLEMENTATION AND
REPORTING SCOPE, BUDGET, AND SCHEDULE FOR FISCAL YEAR
2025/2026**

Dear Mr. Carson:

Montgomery & Associates (M&A) is honored to be selected as the consultant to continue supporting the Santa Cruz Mid-County Groundwater Agency (MGA) with the implementation and technical reporting of its Groundwater Sustainability Plan (GSP). As per request, this letter contains scope, budget, and schedule covering Fiscal Year (FY) 2025/2026 that will be part of a new Master Services Agreement. The scope of work is summarized in two tasks. Details of each task are provided in the subsections below. Table 1 provides a breakdown of budget that corresponds to each task/subtask.

Tasks/subtasks have been numbered to correspond to the numbers used by M&A's invoicing system.

9000.29 WATER YEAR 2025 ANNUAL REPORT

An Annual Report must be submitted to the California Department of Water Resources (DWR) by April 1, 2026. In May 2024, DWR provided a review of MGA's WY 2023 Annual Report content and "determined that no further information or action is required at this time". Based on the review, the format of the Annual Report has substantially remained the same since WY 2023.

A draft WY 2025 Annual Report will be prepared by M&A and provided to MGA member agency staff for review by mid-February 2026. Based on comments received by staff in late February 2026, M&A will compile the final draft Annual Report for the March MGA Board meeting a week prior to the meeting for inclusion in the Board meeting packet. A final Annual Report will incorporate revisions requested by the MGA Board. The Annual Report schedule is summarized on Figure 1.

The subtasks below detail the activities needed to complete the Annual Report. Breaking it out this way assists with more accurate budgeting. Invoicing for this task will only be at the task level and subtasks will not be broken out.

Obtain and Evaluate Monitoring Well Data

M&A will obtain and evaluate groundwater level and quality data from the GSP monitoring network stored in the Regional WISKI data management system (WISKI). Data collection and analysis required to compile the Annual Report technical components include the following:

- Follow up with member agencies to ensure groundwater level and quality data are uploaded to WISKI through the water year.
- Download and compile all groundwater level and quality data collected in the previous water year from all wells in the GSP monitoring network.
- Prepare groundwater elevation contour maps for each principal aquifer in the basin illustrating, at a minimum, the seasonal high and seasonal low groundwater conditions in Water Year 2025.
- Compile hydrographs of groundwater elevations and water year type using historical data to the greatest extent available through September 30, 2025.
- Summarize groundwater quality in tables for the degradation of groundwater quality and seawater intrusion sustainability indicators.
- Compare groundwater conditions data to sustainable management criteria (SMC) to describe GSP implementation progress. Summary tables will compare recent measured groundwater data to interim milestones, measurable objectives, and minimum thresholds for the seawater intrusion, streamflow depletion, chronic lowering of groundwater levels, and groundwater quality indicators.

Quantify Water Demand and Supply

M&A will compile data and develop estimates for groundwater extraction, water demand, and supplemental water supply. The technical components, tables, and figures required for the Annual Report include the following:

- Follow up with member agencies to ensure their groundwater extraction data from all metered wells in the GSP monitoring network are uploaded to WISKI.
- Estimate non-municipal extractions based on model input developed when the model period is extended.

- Prepare tables and figures summarizing groundwater extraction through Water Year 2025 by water use sector, method of measurement, and accuracy of measurement.
- Develop a map showing locations and volumes of groundwater extraction in Water Year 2025.
- Compile a table summarizing surface water supply used for groundwater recharge or in-lieu use in Water Year 2025. This table will include both surface water transfer from City of Santa Cruz to Soquel Creek Water District and injection associated with the City of Santa Cruz aquifer storage and recovery program.
- Compile a table summarizing total water use in Water Year 2025 by water use sector, water source type, method of measurement, and accuracy of measurement.
- Summarize net groundwater pumping by aquifer unit group and compare to the SMC for the groundwater in storage indicator.

Extend Basin Model to Estimate Change of Groundwater in Storage

M&A will update the GSFLOW Basin numerical model (Model) through Water Year 2025. The Basin Model is used to estimate the annual change of groundwater in storage. The Model update primarily involves updating climate, extraction, injection, and return flow input data. Model outputs are used to prepare the following technical components of the Annual Report:

- Change in groundwater in storage maps for each principal aquifer in the basin.
- Table of annual change in groundwater in storage by principal aquifer.
- A graph depicting water year type, groundwater use, the annual change in groundwater in storage, and the cumulative change in groundwater in storage for the basin based on historical data to the greatest extent available through September 30, 2025.

Prepare Annual Report

The Annual Report will include technical components described in the tasks above, an executive summary, and a progress update on GSP implementation. The progress update will compare groundwater conditions to SMC, provide updates on projects and management action implementation, and describe changes to the monitoring network.

Prepare for and Present Annual Report to Board of Directors

M&A will prepare and present Water Year 2025 GSP Annual Report findings to the MGA Board of Directors at its March 2026 meeting. M&A assumes the meeting will allow for online

participation and that an M&A representative will call in to present the Annual Report to the Board of Directors.

Upload Annual Report and Required Tables To SGMA Portal

M&A will upload the Annual Report and required tables (Part A through E) to the DWR SGMA Portal by April 1, 2026.

Upload Groundwater Level Data to SGMA Portal

Fall and spring groundwater level data from wells in the SGMA monitoring network must be uploaded to the SGMA portal by January 1 and July 1 of each year, respectively. The January 1 upload (fall 2025 data) will include groundwater level data compiled for the Water Year 2025 Annual Report and will be uploaded in December 2025. The July 1 upload (spring 2026 data) will be completed in June 2026. Both upload events require coordination with member agency staff to ensure all data are uploaded to WISKI prior to M&A downloading groundwater level data and compiling it in the format required for the SGMA Portal upload.

9000.31 SGMA TECHNICAL SUPPORT

The subtasks presented under this SGMA Technical Support task are items that member agency staff and M&A anticipate will be needed over the fiscal year. Each of these subtasks will be billed separately.

9000.3101 Data Management System

M&A will provide limited support to agencies uploading data to the WISKI Data Management Systems (DMS).

9000.3102 SGMA Program Developments and Department of Water Resources Consultation

As M&A attends regular meetings of various organizations around the state where SGMA developments and DWR support of GSAs are discussed with DWR staff, M&A will continue to provide SGMA related updates to the MGA. Meetings attended may include: Association of California Water Agencies (ACWA) groundwater committee meetings, Northern California Water Association (NCWA) Task Force meetings, Groundwater Resource Agency of California (GRA) meetings, and DWR workshops. M&A will ensure the MGA benefits from those meetings by preparing and sharing meeting notes; time spent preparing these notes will be split with other GSAs M&A provides the same materials to. Meeting travel and attendance costs will be split amongst those GSAs for which M&A are contracted to provide such services.

Review of DWR's comment letter on the MGA's Periodic Evaluation is included under this subtask.

9000.3103 Monitoring Network Expansion Support

M&A will provide technical support to facilitate any as needed monitoring networks related tasks.

9000.3104 Evaluate Seawater Intrusion

Over the past two years, M&A has worked with MGA staff to investigate increasing chloride in the Seascope area. The investigation has focused on establishing relationships between chloride, anion/cations, and groundwater elevations in monitoring and municipal production wells in the Seascope area. Induction logging in monitoring wells has also been conducted to establish a baseline resistivity profiles for wells with seawater intrusion.

In FY 2025/2026, the investigation will continue with evaluation of field data collected from data loggers installed in monitoring wells, induction logging, M&A will assist with coordination of electrical magnetic geophysical surveys and one additional induction logging event.

M&A will assess the utility of developing a subregional model of the area of the Basin underlain by the Aromas Red Sands and Purisima F principal aquifer units with MODFLOW 6, the most recent version of MODFLOW from the U.S. Geological Survey that includes density dependent flow. Possible uses of a subregional, density-dependent model to help with managing seawater intrusion include ability to project effects of changes to groundwater pumping and management and informing revision of sustainable management criteria to avoid undesirable results.

By the end of 2025, a technical memorandum will be prepared summarizing the various investigations, findings, and recommendations for future modeling analysis and management of the area.

9000.3105 Miscellaneous SGMA Support

M&A will support the MGA Executive Team on additional miscellaneous SGMA technical and planning tasks, as needed, including but not limited to providing grant support and technical advice on new issues as they arise. Review of DWR's comment letter on the Periodic Evaluation is included under this subtask.

M&A looks forward to continuing working with the MGA and member agency staff over the next fiscal year. Please contact us if you have any questions on this scope and budget.

Sincerely,
MONTGOMERY & ASSOCIATES



Georgina King, PG., C.Hg.
Principal Hydrogeologist
gking@elmontgomery.com



Cameron Tana, P.E.
Principal Hydrologist
ctana@elmontgomery.com

Table 1. Montgomery & Associates Proposed Budget for Fiscal Year 2025/2026

Fiscal Year 2025/2026 Santa Cruz Mid-County Groundwater Agency Planning and Technical Services For GSP Implementation and Reporting		Principal Hydrologist	Principal Hydro- geologist	Senior Modeler	Project Hydro- geologist or Modeler	Staff Scientist	Technical Editor	Total Prof. Fees	Expenses + 10% Markup	Total Estimated Fees & Expenses
Professional Billing Rates through June 2026		\$273	\$273	\$225	\$203	\$154	\$88			
9000.29 Water Year 2025 GSP Annual Report										
	Obtain and Evaluate Monitoring Well Data	0	8	0	40	64	0	\$20,160	\$0	\$20,160
	Quantify Water Demand and Supply	4	8	0	16	16	0	\$8,988	\$0	\$8,988
	Extend Basin Model to Estimate Change of Groundwater in Storage	2	4	0	80	10	0	\$19,418	\$0	\$19,418
	Prepare Annual Report	4	24	0	60	40	8	\$26,688	\$0	\$26,688
	Prepare for and Present Annual Report to Board of Directors	1	6	0	4	0	0	\$2,723	\$0	\$2,723
	Upload Annual Report and Required Tables to SGMA Portal	0	2	0	0	4	0	\$1,162	\$0	\$1,162
	Upload Groundwater Level Data to SGMA Portal (by Jan 1 and July 1)	0	8	0	0	32	0	\$7,112	\$0	\$7,112
	Subtotal	11	60	0	200	166	8	\$86,251	\$0	\$86,251
9000.31 SGMA Technical Support										
9000.3101	Data Management System	0	8	0	0	24	0	\$5,880	\$0	\$5,880
9000.3102	SGMA Program Developments and DWR Consultation	8	8	0	0	0	0	\$4,368	\$0	\$4,368
9000.3103	Monitoring Network Support	4	16	0	8	0	0	\$7,084	\$0	\$7,084
9000.3104	Evaluate Seawater Intrusion	23	84	30	84	104	8	\$69,733	\$1,101	\$70,834
9000.3105	Miscellaneous SGMA Support	10	30	0	0	0	0	\$10,920	\$0	\$10,920
	Subtotal	45	146	30	92	128	8	\$97,985	\$1,101	\$99,086
Total		56	206	30	292	294	16	\$184,236	\$1,101	\$185,337

Figure 1. Schedule for Water Year 2025 GSP Annual Report (Task 1)

Santa Cruz Mid-County Groundwater Agency Planning and Technical Services For GSP Implementation and Reporting	2025					2026												
	December					January				February				March				
Week of	1	8	15	22	29	5	12	19	26	2	9	16	23	2	9	16	23	
Weeks from start	1	2	3	4	5	5	6	7	8	9	10	11	12	13	14	15	16	
Water Year 2025 GSP Annual Report																		
Obtain and Evaluate Monitoring Well Data																		
Quantify Water Demand and Supply																		
Extend Basin Model to Estimate Change of Groundwater in Storage																		
Prepare Annual Report																		
Draft Report for Member Agency Staff Review											MGA Draft							
Incorporate Comments into Board Draft																		
Prepare for and Present Annual Report to Board of Directors															Board Packet	Board Mtg		
Finalize Report																		
Upload Annual Report to SGMA Portal																		

Annual Report Upload Deadline is April 1, 2026
Fall 2025 Groundwater Level Data Upload Deadline in January 1, 2026

June 12, 2025

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.3
Title: Approve Regional Water Management Foundation Sustainable Groundwater Management Implementation Grant Administrative Services for Fiscal Year 2025-2026 (Year 4)

Attachment(s):

1. Proposed Schedule Extension of Grant Administration Services for the Santa Cruz Mid-County Groundwater Agency's Sustainable Groundwater Management Implementation Grant (#4600014636) from Regional Water Management Foundation (dated June 2, 2025)

Recommended Board Action: Authorize a contract time extension and continued grant administration services from the Regional Water Management Foundation for the Sustainable Groundwater Management Implementation Grant in Fiscal Year 2025–2026, with no change to the previously approved not-to-exceed contract amount of \$380,000.

In June 2022, the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors approved a multi-year contract with the Regional Water Management Foundation (RWMF) to provide grant administration services for the Sustainable Groundwater Management Implementation (SGMI) Grant. RWMF's scope of work under the contract includes two key tasks:

- **Task 1:** Grant Administration and Coordination
- **Task 2:** Grant Reporting and Compliance

The SGMI Grant supports five project components being implemented by the MGA and three Local Project Sponsors: Soquel Creek Water District, City of Santa Cruz Water Department, and Santa Cruz County Environmental Health Services.

Originally scheduled to end in June 2025, the grant's timeline has been extended by the Department of Water Resources (DWR) to **February 28, 2026**, with an additional extension anticipated to allow for construction completion of the City of Santa Cruz's Aquifer Storage and Recovery project (Component 2). As such, the MGA Executive Staff recommends extending the RWMF contract through **June 30, 2026** to ensure continued grant administration services and support through the final grant reporting and closeout.

The MGA's Procurement Policy allows professional services to be procured for up to three-year contracts, with an option to extend into one or two additional years as long as performance is satisfactory and pricing remains competitive.

RWMF has expended less than 50% of the approved \$380,000 budget to date and is projected to remain under budget with this 1-year extension. The estimated cost for Fiscal Year 2025–2026 is approximately **\$84,982**, based on hourly rates and projected workload.

Recommended Board Action:

1. By MOTION, authorize a contract time extension and continued grant administration services from the RWMF for the Sustainable Groundwater Management Implementation Grant through Fiscal Year 2025–2026 (Year 4), with no change to the previously approved not-to-exceed contract amount of \$380,000; and
2. By MOTION, authorize the General Manager of Soquel Creek Water District to sign a Purchase Order for services in Fiscal Year 2025–2026 in an amount not to exceed \$85,000.

Submitted by:

Melanie Mow Schumacher
General Manager
Soquel Creek Water District

On behalf of the MGA Executive Staff

Ralph Bracamonte, District Manager, Central Water District
Heidi Luckenbach, Water Director, City of Santa Cruz
Sierra Ryan, Water Resources Manager, County of Santa Cruz

REGIONAL WATER MANAGEMENT FOUNDATION

a subsidiary of Community Foundation Santa Cruz County

June 2, 2025

Santa Cruz Mid-County Groundwater Agency

Member Agency Executive Staff: M. Mow Schumacher, H. Luckenbach, R. Bracamonte, S. Ryan

5180 Soquel Drive

Soquel, CA 95073

Re: Proposed Schedule Extension of Grant Administration Services for the Santa Cruz Mid-County Groundwater Agency's Sustainable Groundwater Management Implementation Grant (#4600014636)

Dear Executive Staff:

For your consideration, the Regional Water Management Foundation (RWMF) proposes a 1-year schedule extension to continue providing grant administration services on the Sustainable Groundwater Management Implementation Grant (SGMA Grant; #4600014636).

The \$7.6 million-dollar SGMI Grant is funding multiple projects and studies grouped into five components implemented by the MGA and three of its Member Agencies, identified in the Grant as Local Project Sponsors (LPS). The LPS agencies are Soquel Creek Water District (SqCWD), City of Santa Cruz Water Department (City) and County of Santa Cruz Environmental Health Services (County). The components and lead agencies are presented below.

#	Title	Lead Agency
1	Cunnison Lane Groundwater Well	SqCWD
2	Aquifer Storage and Recovery, Beltz Well 10	City of Santa Cruz
3	Park Avenue Transmission Main/Bottleneck Improvements	SqCWD
4	Technical Development of Group 1 and 2 Projects	SqCWD and City
5	Sustainable Groundwater Management Evaluation and Planning	MGA and County

In June 2022, the Santa Cruz Mid-County Groundwater Agency Board approved a 3-year contract with the RWMF to provide grant administration services. The term of the RWMF's contract (ending June 30, 2025) aligned with the initial end date of the Grant. DWR previously approved the MGA's request to extend the grant until February 28, 2026. It is anticipated the MGA will request another schedule extension to allow for the completion of construction on the City of Santa Cruz's Aquifer Storage and Recovery project in the Beltz wellfield (Component 2) which would extend the grant further into 2026.

SCOPE OF WORK

No changes proposed to the previously approved scope of work. The two principal tasks will continue.

- Task 1. Grant Administration and Coordination
- Task 2. Grant Reporting and Compliance

SCHEDULE

Based upon the current project schedules, a 1-year schedule extension with an end date of 6/30/2026 is proposed. Work on four of the five projects (also referred to as components) is to be completed by the end of 2025 and the associated final reporting/close out on those projects to be completed by the

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end of February 2026. Component 2 (Aquifer Storage and Recovery), currently under construction, is estimated to be completed later in 2026.

COMPENSATION

There is no change to the previously approved not-to-exceed contract total (\$380,000). To date, the RWMF has expended less than 50% of the approved budget and is projected to finish underbudget, even with the 1-year extension on the term of the contract.

The estimated cost of the Grant administration by category and in fiscal year 2025-26 is in Table 1. The table presents the estimated costs by major cost category and employee type; these costs are estimated, and the actual costs will be based upon time worked by category by personnel. A billing rate sheet for 2025 is attached.

The RWMF appreciates this opportunity to support the MGA and its Member Agencies in advancing collaborative water management strategies to promote local groundwater sustainability.

Best regards,



Tim Carson
Program Director

REGIONAL WATER MANAGEMENT FOUNDATION

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Table 1. Grant Administration Estimated Costs by Task and Position in Fiscal Year 2025-26

The estimated cost by task and position are presented below. Services are provided on a time (hours worked) and materials basis. The actual hours by task and by position may vary from the estimated hours, however the cost will not exceed the total below without written authorization of the MGA.

		QUARTERLY REPORTING		
Task Description	Position title	Program Director	Administrative / Grants Officer	Subtotal Cost
	Hourly Rate ¹	\$152	\$94	
1. Grant Administration and Coordination		<i>Estimated Staff Hours By Task</i>		
	Estimated Hrs.	90	183	
	Subtotal Cost	\$13,680	\$17,202	\$30,882
2. Reporting and Invoicing		<i>Estimated Staff Hours By Task</i>		
	Estimated Hrs.	90	430	
	Subtotal Cost	\$13,680	\$40,420	\$54,100
				\$84,982
Notes:				
1. Rate sheet provided.				

June 12, 2025

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.1

Title: Consider Proposed Annual Budget for Fiscal Year 2025-2026

Attachment(s):

1. Table 1. Budget Summary
2. Table 2. Operating Expenses

Recommended Board Action: Approve the proposed budget for Fiscal Year 2025-2026

The attached Tables 1 and 2 present the projected totals for Fiscal Year 2024-2025 (FY 24/25) and the proposed budget for FY 25/26. The FY 24/25 projected operating expenses are based upon the actual expenses incurred July 1 – January 31 and the projected expenses to June 30. Revenue and expenses are presented on an accrual basis which recognizes revenues when they are earned and expenses when they are incurred, even if the payment has not yet been received.

The following narrative summarizes the MGA's beginning cash reserves, operating revenue, operating expenses, and ending reserves.

BEGINNING RESERVES

The beginning reserves for the MGA for FY 24/25 total \$1,851,622 and are projected for FY 25/26 to total \$1,464,522. The beginning reserves amount is the ending reserves amount from the prior year plus any surplus of revenue collected from the prior year over the actual expenses incurred.

OPERATING REVENUE

Operating revenue consists of grant awards and Member Agency contributions. The projected operating revenue for FY 24/25 is projected to be \$585,000 and the preliminary budget for FY 25/26 is \$585,000.

Member Agency Contributions – Revenue collected from Member Agencies funds operating expenses. The annual contributions amount is based upon projected operating expenses for the fiscal year, anticipated revenue from grants, and the amount in reserves. In FY 25/26, the preliminary budget does not include contributions from Member Agencies because the amount of anticipated revenue from the grant reimbursements and the amount in reserves do not necessitate a contribution this year.

Member Agency Contributions - SGMI Grant Administration

Revenue for SGMI Grant administration (which is not reimbursed by the grant) will be contributed via annual invoices to Soquel Creek Water District and the City of Santa Cruz for the grant administration costs related to their respective SGMI Grant Components. The projected amount for FY 25/26 is \$85,000.

Sustainable Groundwater Management Implementation Grant (SGMI Grant)

Total: \$7,600,000; Years: 2022 – 2025

Awarded in 2022, this Department of Water Resources (DWR) grant partially funds planning activities and the implementation of selected projects and management actions identified in the GSP. The grant includes five (5) separate component projects (described further below in this memo). Components 1 – 4 are led by the Member Agencies with eligible project costs being reimbursed by the grant. The lead Member Agencies are funding their respective Component(s) as work proceeds (e.g., consultant contracts) and will be reimbursed in arrears as the MGA is reimbursed by DWR via quarterly grant submittals. Component 5 (Sustainable Groundwater Management Evaluation and Planning) includes funding for activities required under SGMA (e.g., GSP Reporting, Basin Monitoring, other). The estimated grant reimbursement amount for Component 5 in FY 25/26 is \$500,000.

OPERATING EXPENSES

The operating expenses are presented in the following budget categories:

- Administration
- Legal Support
- Management and Coordination
- Monitoring: Network Expansion, Data Collection, Analysis and Management
- Groundwater Sustainability Plan (GSP) Reporting
- Outreach and Education

Total operating expenses in FY 25/26 are proposed to be \$949,850. This is a reduction of 21% from FY 24/25.

Budget Category: Administration

This budget category includes costs related to the administration of the MGA, including administrative staff support, contracts management, finance staff support and related expenses, insurance, organizational memberships and conferences, as well as miscellaneous supplies and materials.

FY 24/25: The approved budget is \$178,650.

FY 25/26: The proposed budget is \$155,000.

Budget Category: Legal Support

As in prior years, the County of Santa Cruz provides general legal counsel. In 2023, the MGA selected the firm Best Best & Krieger, LLP (BBK) to provide legal counsel, as needed, on matters pertaining to the Sustainable Groundwater Management Act (SGMA).

FY 24/25: The approved budget is \$30,000.

FY 25/26: The proposed budget is \$20,000.

Budget Category: Management and Coordination

This category includes three components:

- Technical work in support of SGMA implementation
- Planning Activities and Implementation Coordination
- SGMI Grant Administration

FY 24/25: The approved budget for this category is \$300,000

FY 25/26: The proposed budget is \$309,300.

Technical Work: SGMA Support

Montgomery & Associates (M&A) conducts various tasks to support and inform SGMA implementation and agency planning, including tracking SGMA Program Development, consultation and coordination with DWR.

FY 24/25: The approved budget is \$12,084.

FY 25/26: The proposed budget is \$15,300.

Planning Activities & Implementation Coordination

RWMF is supporting GSP Implementation Coordination and Planning Activities. Tasks in this category include: tracking the progress of the Project and Management Actions (PMAs) identified in the GSP; meeting coordination and facilitation; assisting with the coordination of GSP implementation activities outlined in Chapter 5 of the GSP; assisting in identifying grant opportunities; and considering long-term funding approaches. In 2024, following a solicitation for Request for Qualifications, the MGA selected SCI Consulting Group to study potential approaches for long-term funding necessary for operation of the MGA to comply with SGMA.

FY 24/25: The approved budget includes \$147,916 for RWMF support for GSP implementation and \$40,000 for SCI Consulting to conduct an evaluation of long-term funding approaches to comply with SGMA. It is estimated that SCI will expend up to \$25,000 this year.

FY 25/26: The proposed budget includes \$135,000 for RWMF support on GSP implementation and \$25,000 for SCI Consulting to complete its evaluation. The budget includes \$75,000 for a consultant to support the implementation of a long-term funding approach; this work would only proceed if the Board opts to proceed with implementation of a new funding approach.

SGMI Grant Administration

RWMF is supporting the SGMI Grant administration on all five components.

FY 24/25: The approved budget for this work is \$100,000.

FY 25/26: The proposed budget for this work is \$85,000.

Budget Category: Monitoring Network, Data Collection, Analysis & Management

FY 24/25: The total for this budget category is \$389,000. Funding for Basin monitoring activities is included in the SGMI Grant.

FY 25/26: The proposed budget for this work is \$223,800

This category includes the following tasks:

Monitoring Network

FY 24/25: The approved budget is \$29,000 to support ongoing monitoring activities such as consultant technical support and monitoring equipment (as needed).

FY 25/26: The proposed budget is \$22,100.

Monitoring: Streamflow and Shallow Groundwater Levels

The GSP established Sustainable Management Criteria (SMC) for the depletion of interconnected surface water based on the shallow well and associated streamflow data available in the Basin. Monitoring is needed to evaluate the associated SMC over time.

FY 24/25: \$35,000 is budgeted for Trout Unlimited to conduct Basin streamflow monitoring. The streamflow monitoring efforts are associated with MGA's monitoring of nearby shallow groundwater monitoring wells. SGMA requires Groundwater Sustainability Plans to address and quantify depletions of interconnected surface waters to avoid adverse impacts on beneficial uses and consider impacts to groundwater-dependent ecosystems.

FY 25/26: The proposed budget for Trout Unlimited to continue this work is \$45,000.

Monitoring: Seawater Intrusion

The MGA continues to evaluate seawater intrusion in the aquifers along the coast of the Basin and to characterize the source and extent (vertically and spatially) of the high chloride water in Seascap and the surrounding area.

FY 24/25: \$240,000 is budgeted to evaluate seawater intrusion. The projected total is only \$94,800 because a possible electronic magnetic survey was not conducted due to access issues and readiness to proceed. This includes work performed by M&A and other consultants to assess saltwater intrusion. Recent work focused on establishing relationships between chloride, groundwater chemistry (anions/cations), and groundwater elevations in monitoring and municipal production wells in the Seascap area. Induction logging in monitoring wells was conducted to establish a baseline resistivity profiles for wells with seawater intrusion. It also includes work by Geophysical Imaging Partners to analyze the 2017 and 2022 airborne electromagnetic (AEM) data in support of the study.

FY 25/26: The proposed budget to continue this work is \$120,850. M&A will continue investigations with an evaluation of data collected from the monitoring wells, induction logging, and the coordination of electrical magnetic geophysical surveys. M&A will also assess groundwater model improvements to help with managing seawater intrusion, including the ability to project effects of changes to groundwater pumping and management and informing revision of sustainable management criteria to avoid undesirable results. M&A will prepare a technical memorandum summarizing the various investigations, findings, and recommendations for future modeling analysis and management of the area. It also includes funding for additional electromagnetic survey work in the Seascap area if feasible.

Data Coordination & Data Management System (DMS)

The MGA collaborated with the neighboring Santa Margarita Groundwater Agency and the member agencies of both GSAs (Partner Agencies) to develop a DMS. The MGA entered into a funding agreement with the County of Santa Cruz for its proportional share of the consultant (KISTERS) costs to develop and maintain the DMS.

FY 24/25: The approved budget is \$30,000 for KISTERS' annual DMS hosting fee, user licenses, and software as well as DMS-support from M&A.

FY 25/26: The proposed budget for similar tasks is \$25,850.

Groundwater Extraction Metering Program

The MGA is developing a groundwater metering program that applies to two categories of users: (1) all non-de minimis pumping operations expected to extract more than 5 acre-feet per year, and (2) all non-de minimis pumping operations expected to extract more than 2

acre-feet per year that may impact seawater intrusion or an interconnected stream where groundwater dependent ecosystems are identified in the GSP.

FY 24/25: The approved budget is \$55,000. The current projected total for this work is \$5,000 as work to date indicates significantly fewer meter installs will be needed than initially assumed.

FY 25/26: \$10,000 is proposed to continue this work.

Budget Category: GSP Reporting

FY 24/25: The total for this budget category is \$277,050. Funding for GSP Reporting is included in the SGMI Grant.

FY 25/26: The proposed budget for this work is \$206,750.

This category includes the following tasks:

Groundwater Sustainability Plan Annual Report and Data Reporting

Annual reporting to DWR by April 1st on the GSP implementation is a requirement under SGMA. In addition, semi-annual (2x/year) Basin data reporting to DWR via the SGMA portal is required. M&A will prepare the Annual Report and will compile, format and submit the monitoring data to the SGMA portal.

FY 24/25: The approved budget to develop the GSP Annual Report Water Year 2024 and complete the semi-annual data reporting is \$91,050.

FY 25/26: The proposed budget for the same tasks is \$86,250.

GSP Periodic Evaluation (5-Year)

The GSP Periodic Evaluation (2025) was successfully completed. Work was led by M&A with support from RWMF and Member Agency staff. The Periodic Evaluation was approved by the Board in December 2024 and submitted to DWR on January 30, 2025. Funding for this work was included in the SGMI Grant.

FY 24/25: The budget is \$65,500.

FY 25/26: No allocation. The next Periodic Evaluation is due by January 30, 2030.

GSP Periodic Evaluation Groundwater Modeling

In December 2024, the Board approved an amendment to the M&A contract for improvements to the groundwater model necessary for the next GSP Periodic Evaluation

(due by 2030) in an amount not to exceed \$241,000 (split between the two FYs). Partial funding for this work is included in the SGMI Grant.

FY 24/25: The budget is 120,500.

FY 25/26: The proposed budget is 120,500.

Budget Category: Outreach & Education

FY 24/25: The approved budget for outreach is \$30,000.

FY 25/26: The proposed budget is \$35,000 to support ongoing community outreach and engagement on GSP implementation efforts, website updates, and long-term SGMA compliance funding.

MEMBER AGENCY LEAD PROJECT & MANAGEMENT ACTIVITIES

SGMI Grant Components

As noted above, the MGA's \$7.6 million Sustainable Groundwater Management Implementation (SGMI) grant award from DWR is funding implementation activities. Four of the Components are led by Member Agencies (Soquel Creek Water District, City of Santa Cruz, County of Santa Cruz); they are leading the contracting and management of their respective components. The MGA entered into sub-grantee agreements with the respective Member Agencies. The Member Agencies will be reimbursed in arrears via the MGA for eligible expenses submitted to and approved by DWR as part of the quarterly grant reporting process. The MGA will reimburse the Member Agencies upon receipt of the grant funds from DWR.

Component Title	Lead Agency	Grant Amount
Cunnison Lane Groundwater Well	SqCWD	\$1,734,560
Aquifer Storage and Recovery, Beltz Wellfield	City of Santa Cruz	\$1,650,000
Park Avenue Transmission Main/Bottleneck Improvements	SqCWD	\$740,440
Technical Development of Group 1 and 2 Projects and Management Actions	SqCWD & City of Santa Cruz	\$1,900,000
Sustainable Groundwater Management Evaluation and Planning	MGA & County	\$1,575,000
Total		\$7,600,000

ENDING RESERVES

General Reserves

Prudent financial management requires that the agency carry a general reserve in order to manage cash flow and mitigate the risk of expense overruns in case actual expenses are greater than anticipated in the budget. The MGA is currently maintaining higher general reserves due to the potential for delays in grant reimbursements related to factors (e.g., state budget process) beyond the control of the MGA.

The estimated projected ending general reserves for FY 24/25 are \$1,356,102 and the preliminary estimate of the ending general reserves in FY 25/26 are \$1,004,687.

Contingency Fund

The contingency fund is set aside to cover unexpected costs. As proposed for FY 25/26, the contingency is \$94,985. This is 10% of total operating expenses.

5-Year GSP Evaluation (2025) Reserve

This reserve, initiated in FY 21/22 prior to the award of the SGMI Grant, was intended to spread out the financial contributions of the Member Agencies to be used to fund the initial Periodic (5-Year) Evaluation (also referred to as the 5-Year Update) over four years from FY 21/22 through FY 24/25. The reserve was drawn down in FY 24/25 and incorporated into Beginning Reserves.

Member Agency Contributions

In prior years, the budget has included member agency contributions as a component of operating revenue. Prior years' member agency contributions and grant funding have built up sufficient cash reserves such that there is no proposed contribution from the Member Agencies for FY 25/26.

Recommended Board Action:

1. By MOTION, approve the proposed budget for Fiscal Year 2025-2026

Submitted by:

Tim Carson

Program Director
Regional Water Management Foundation

Leslie Strohm

Treasurer
Santa Cruz Mid-County Groundwater Agency

On behalf of the MGA Executive Staff

Melanie Mow Schumacher, General Manager, Soquel Creek Water District

Ralph Bracamonte, District Manager, Central Water District

Heidi Luckenbach, Water Director, City of Santa Cruz

Sierra Ryan, Water Resources Manager, County of Santa Cruz

Table 1. BUDGET SUMMARY

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
BUDGET SUMMARY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
FISCAL YEAR 2024/2025 AND FISCAL YEAR 2025/26 BUDGET

	2023/24 ACTUALS	2024/25 BUDGET	2024/25 PROJECTED TOTALS	2025/26 PROPOSED BUDGET	INCREASE (DECREASE) OVER PRIOR YEAR BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
Beginning Reserves						
Beginning Cash Reserves	\$ 1,821,000	\$ 1,776,622	\$ 1,767,922	\$ 1,464,522	\$ (312,100)	-18%
Drawdown of 5-Year GSP Evaluation (2025) Reserve	\$ -	\$ 75,000	\$ 75,000	\$ -		
Total Beginning Reserves	\$ 1,821,000	\$ 1,851,622	\$ 1,842,922	\$ 1,464,522	\$ (312,100)	-17%
Operating Revenue						
Agency Contributions	\$ 100,000	\$ -	\$ -	\$ -	\$ -	
Agency Contributions - SGMI Grant Administration	\$ 50,330	\$ 60,000	\$ 85,000	\$ 85,000	\$ 25,000	42%
Grant Funds (Received)						
DWR Planning (SGWP) (2018 - 2023) Retention Release	\$ -	\$ -	\$ -	\$ -	\$ -	
DWR SGM Implementation (SGMI) (2022 - 2025) ¹	\$ 487,350	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0	0%
Total Operating Revenue	\$ 637,680	\$ 560,000	\$ 585,000	\$ 585,000	\$ 25,000	4%
Operating Expense						
Administration	\$ 143,924	\$ 178,650	\$ 172,000	\$ 155,000	\$ (23,650)	-13%
Legal	\$ 14,952	\$ 30,000	\$ 15,000	\$ 20,000	\$ (10,000)	-33%
Management & Coordination	\$ 211,668	\$ 300,000	\$ 275,000	\$ 309,300	\$ 9,300	3%
Monitoring	\$ 124,057	\$ 389,000	\$ 192,300	\$ 223,800	\$ (165,200)	-42%
GSP Reporting						
GSP Annual Report & Related Data Reporting	\$ 88,104	\$ 91,050	\$ 91,050	\$ 86,250	\$ (4,800)	-5%
GSP Periodic Evaluation (PE) (2025)	\$ 91,787	\$ 65,500	\$ 67,550	\$ -	\$ (65,500)	-100%
GSP Periodic Evaluation Groundwater Modeling ²	\$ -	\$ 120,500	\$ 120,500	\$ 120,500	\$ -	0%
Outreach & Education	\$ 16,266	\$ 30,000	\$ 30,000	\$ 35,000	\$ 5,000	17%
Total Operating Expense	\$ 690,758	\$ 1,204,700	\$ 963,400	\$ 949,850	\$ (254,850)	-21%
Ending Reserves						
Contingency	81,098	108,420	108,420	94,985	\$ (13,435)	-12%
5-Year GSP Evaluation (2025) Reserve	75,000	-	-	-	\$ -	0%
General Reserve	1,611,824	1,219,002	1,356,102	1,004,687	(214,315)	-18%
Total Ending Reserves³	\$ 1,767,922	\$ 1,327,422	\$ 1,464,522	\$ 1,099,672	\$ (227,750)	-17%
Member Agency Lead Project & Management Activities						
SGM Implementation (SGMI) Grant Components	\$ 1,707,635	\$ 3,800,000	\$ 3,800,000	1,600,000		

Notes:

1. Operating Revenue on Grant Funds for the DWR Implementation (Anticipated 2022 - 2025) only includes MGA led activities, not Member Agency led activities
2. Groundwater Model improvements approved by Board in December 2024 will inform next Periodic Evaluation
3. Ending reserves are calculated using the accrual basis of accounting and do not reflect actual cash reserves
4. Contingency in FY24/25 is based upon 10% of the FY 24/25 budget as approved in June 2025

Table 2. OPERATING EXPENSES

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
OPERATING EXPENSES
FISCAL YEAR 2024/2025 AND FISCAL YEAR 2025/26 BUDGET

	2023/24 ACTUALS	2024/25 BUDGET	2024/25 PROJECTED TOTALS	2025/26 PROPOSED BUDGET	INCREASE (DECREASE) OVER PRIOR YEAR BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
<i>Operating Expense</i>						
Administration	\$ 143,924	\$ 178,650	\$ 172,000	\$ 155,000	\$ (23,650)	-13%
Legal	\$ 14,952	\$ 30,000	\$ 15,000	\$ 20,000	\$ (10,000)	-33%
Management & Coordination						
Technical Work: SGMA Support	\$ 36,140	\$ 12,084	\$ 5,000	\$ 15,300	\$ 3,216	
Planning Activities & Implementation Coordination	\$ 104,759	\$ 147,916	\$ 135,000	\$ 109,000	\$ (38,916)	
SGMA Funding Options Assessment	\$ -	\$ 40,000	\$ 25,000	\$ 25,000	\$ (15,000)	
SGMA Funding Options Implementation	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	
SGMI Grant Administration	\$ 70,769	\$ 100,000	\$ 110,000	\$ 85,000	\$ (15,000)	
<i>subtotal</i>	\$ 211,668	\$ 300,000	\$ 275,000	\$ 309,300	\$ 9,300	3%
Monitoring: Basin Network, Data Collection, Analysis & Management						
Monitoring Network	\$ 71,188	\$ 29,000	\$ 20,000	\$ 22,100	\$ (6,900)	
Monitoring: Streamflow & Shallow Groundwater Levels	\$ 30,382	\$ 35,000	\$ 50,000	\$ 45,000	\$ 10,000	
Monitoring: Seawater Intrusion	\$ -	\$ 240,000	\$ 94,800	\$ 120,850	\$ (119,150)	
Data Coordination & Data Management System	\$ 22,487	\$ 30,000	\$ 22,500	\$ 25,850	\$ (4,150)	
Groundwater Extraction Metering Program Implementation	\$ -	\$ 55,000	\$ 5,000	\$ 10,000	\$ (45,000)	
<i>subtotal</i>	\$ 124,057	\$ 389,000	\$ 192,300	\$ 223,800	\$ (165,200)	-42%
GSP Reporting						
GSP Annual Report & Related Data Reporting	\$ 88,104	\$ 91,050	\$ 91,050	\$ 86,250	\$ (4,800)	
GSP Periodic Evaluation (5-Year)	\$ 91,787	\$ 65,500	\$ 67,550	\$ -	\$ (65,500)	
GSP Periodic Evaluation (5-Year) Groundwater Modeling	\$ -	\$ 120,500	\$ 120,500	\$ 120,500	\$ -	
<i>subtotal</i>	\$ 179,891	\$ 277,050	\$ 279,100	\$ 206,750	\$ (70,300)	-25%
Outreach & Education	\$ 16,266	\$ 30,000	\$ 30,000	\$ 35,000	\$ 5,000	17%
Total Operating Expense	\$ 690,758	\$ 1,204,700	\$ 963,400	\$ 949,850	\$ (254,850)	-21%
<i>Member Agency Lead Project & Management Activities</i>						
SGM Implementation (SGMI) Grant Components	\$1,707,635	\$3,800,000	3,800,000	\$1,600,000		

June 12, 2025

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2
Title: Receive Update on Sustainable Groundwater Management Act Compliance
Funding Options Assessment
Attachment(s): None

Recommended Board Action: Provide direction to staff and consultant on considerations as the funding options assessment proceeds.

Background

Since the inception of Santa Cruz Mid-County Groundwater Agency (MGA), the expenses associated with Sustainable Groundwater Management Act (SGMA) compliance have been borne by the four MGA member agencies with grant funding from the Department of Water Resources. The MGA Groundwater Sustainability Plan identifies the four MGA member agencies as the source of funding for SGMA regulatory compliance through 2025 and states that MGA will further evaluate funding mechanisms for ongoing compliance from 2026 and beyond. Examples of ongoing activities that are required to comply with SGMA include, but are not limited to, annual reporting and periodic evaluations of the Groundwater Sustainability Plan, MGA administration, Basin monitoring and data reporting, and maintaining a Data Management System.

In October 2024, following a competitive request for qualifications process, the MGA Executive Staff recommended engaging SCI Consulting Group to conduct a funding options assessment. The goals of the funding options assessment are to: 1) identify MGA funding needs; 2) identify community preferences and stakeholder perspective on funding; 3) identify an appropriate legal framework under SGMA for collecting funding; and 4) recommend long-term funding options available to MGA for SGMA compliance.

A public workshop for private domestic users of groundwater was held on March 17, 2025 to get their input and perspectives on a potential fee on private domestic users for SGMA compliance-related costs. The MGA Board received a summary of comments received at the workshop on March 20, 2025, and directed the staff and consultant to return to the Board in June with a more comprehensive overview of the funding assessment process prior to conducting any further outreach.

The funding options assessment is the first phase as MGA considers long-term funding strategies to meet the cost of complying with the state-mandated requirements of SGMA in the decades ahead. This first phase is expected to result in a summary of potentially feasible options for funding, culminating with a memorandum on funding options later this year or in early 2026. The memorandum is intended to inform the second phase by enabling the

Board to provide direction on the preferred option(s) to further evaluate or pursue. Any potential Board action to implement a long-term funding approach would come at a future date once the Board has fully evaluated the options.

Discussion

The Board will receive an overview of the funding options assessment process. This will include:

- Funding options assessment goals and process;
- Background and information relevant to the fee;
- A summary of the general funding options that could be considered, including continued member agency funding, fees in accordance with SGMA, and alternatives.

Recommended Board Action:

1. By MOTION, provide direction to staff and consultant on considerations as the funding options assessment proceeds.

Submitted by:

Rob Swartz

Senior Planner

Regional Water Management Foundation

On behalf of the MGA Executive Staff

Melanie Mow Schumacher, General Manager, Soquel Creek Water District

Ralph Bracamonte, District Manager, Central Water District

Heidi Luckenbach, Water Director, City of Santa Cruz

Sierra Ryan, Water Resources Manager, County of Santa Cruz

June 12, 2025

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 6.1

Title: Treasurer's Report

Attachment(s):

1. Treasurer's Report for the Period Ending May 31, 2025

Recommended Board Action: No action required, informational report only.

Attached is the Treasurer's Report for March through May 2025. These reports contain three sections:

- Statement of Changes in Revenues, Expenses and Net Position
 - This interim financial statement provides information on the revenue that has been invoiced to the member agencies and the expenses that have been recorded as of the period ending date.
- Statement of Net Position
 - This interim financial statement details the cash balance at Wells Fargo Bank, the membership revenue still owed through accounts receivable, if any, prepaid expenses such as insurance, outstanding grant receivables or liabilities, and the resulting net income as reported on the Statement of Changes in Revenues, Expenses and Net Position.
- Warrants
 - The list of warrants reflects all payments made by the MGA, either by check or electronic means, for the period covered by the Treasurer's Report.

The Treasurer's Report will be provided at each board meeting according to statutory requirement and to promote transparency of the agency's financial transactions.

Recommended Board Action: No action required, informational report only.

Submitted by:

Leslie Strohm

Treasurer

Santa Cruz Mid-County Groundwater Agency

Treasurer's Report

Santa Cruz Mid-County Groundwater Agency
For the period ended May 31, 2025



Prepared by

Leslie Strohm, Treasurer

Prepared on

May 30, 2025

Statement of Revenues, Expenses and Changes in Net Position

March - May, 2025

	Total
INCOME	
Total Income	
GROSS PROFIT	0.00
EXPENSES	
5100 Groundwater Management Services	85,673.06
5110 Grndwtr Mgmt - Groundwater Monitoring	17,278.38
5300 Administrative Personnel Services	42,841.78
5315 Office Services	172.80
5330 Training	280.00
5340 Computer Services	386.61
5415 Outreach Services	14,681.81
5510 GSP Consulting Services	14,992.00
5520 Legal Services	812.50
5600 Pass-through Grant Expenses	1,007,389.65
Total Expenses	1,184,508.59
NET OPERATING INCOME	-1,184,508.59
OTHER INCOME	
4401 Grant Revenue - DWR SGMI Grant	1,292,338.37
Total Other Income	1,292,338.37
NET OTHER INCOME	1,292,338.37
NET INCOME	\$107,829.78

Statement of Net Position

As of May 31, 2025

	Total
ASSETS	
Current Assets	
Bank Accounts	
1100 Wells Fargo Business Checking	1,499,080.02
Total Bank Accounts	1,499,080.02
Accounts Receivable	
1220 Accounts Receivable - Grants	595,892.45
Total Accounts Receivable	595,892.45
Other Current Assets	
1400 Prepaid Expenses	1,894.32
Total Other Current Assets	1,894.32
Total Current Assets	2,096,866.79
TOTAL ASSETS	\$2,096,866.79
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2110 Accounts Payable - Grants	384,254.75
Total Accounts Payable	384,254.75
Total Current Liabilities	384,254.75
Total Liabilities	384,254.75
Equity	
3100 Retained Earnings	1,899,103.88
Net Income	-186,491.84
Total Equity	1,712,612.04
TOTAL LIABILITIES AND EQUITY	\$2,096,866.79

Warrants

March - May, 2025

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Bill Payment (Check)						
05/23/2025	Bill Payment (Check)	10437	SCI Consulting Group	Regulatory Compliance Funding Options Assessment		-14,531.40
						-14,531.40
05/23/2025	Bill Payment (Check)	10438	Trout Unlimited Inc	Basin Streamflow & Shallow Wells Monitoring Services		-8,960.88
						-8,960.88
05/23/2025	Bill Payment (Check)	10439	County of Santa Cruz Health Services Agency	Monitoring and Data Management Fund Agreement		-94,993.12
						-94,993.12
05/23/2025	Bill Payment (Check)	10440	County of Santa Cruz (County Counsel)	County Legal Counsel		-812.50
						-812.50
05/23/2025	Bill Payment (Check)	10441	Regional Water Management Foundation	SGMI Grant Admin FY 2024- 25		-18,110.21
						-18,110.21

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
05/23/2025	Bill Payment (Check)	10442	Soquel Creek Water District (2)	Mailchimp; Quickbooks; Google Voice, UC Davis Registration		-453.11
						-453.11
05/23/2025	Bill Payment (Check)	10443	Errol L Montgomery & Associates Inc	Evaluate Seawater Intrusion; Annual Report; Groundwater Modeling update		-34,680.00
						-34,680.00
05/23/2025	Bill Payment (Check)	10444	City of Santa Cruz Water Dept	SGMI Grant Payment 10		-85,226.00
						-85,226.00
05/23/2025	Bill Payment (Check)	10445	Soquel Creek Water District (2)	SGMI Grant Payment 10		-537,908.90
						-537,908.90
04/25/2025	Bill Payment (Check)	10434	Geophysical Imaging Partners Inc			-2,365.00
						-2,365.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
04/25/2025	Bill Payment (Check)	10435	Soquel Creek Water District (2)	0000260	R	-217.25
						-217.25
04/25/2025	Bill Payment (Check)	10436	Errol L Montgomery & Associates Inc			-37,518.00
						-37,518.00
04/10/2025	Bill Payment (Check)	10431	City of Santa Cruz Water Dept	SGMI Grant Payment Invoice 9		-103,972.50
						-103,972.50
04/10/2025	Bill Payment (Check)	10432	Soquel Creek Water District (2)	SGMI Grant Payment Invoice 9		-1,474,709.13
						-1,474,709.13
04/10/2025	Bill Payment (Check)	10433	Complete Mailing Service	Mailing Services	R	-1,684.42
						-1,684.42
03/20/2025	Bill Payment (Check)	10429	ACWA	Annual membership dues	R	-3,226.13
						-3,226.13

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
03/20/2025	Bill Payment (Check)	10430	Soquel Creek Water District (2)	Mailchimp and Quickbooks	R	-138.25
						-138.25
03/11/2025	Bill Payment (Check)	10422	Soquel Creek Water District (2)	FY 2023-24 Audit Expenses, Quickbooks, and Mailchimp	R	-2,593.25
						-2,593.25
03/11/2025	Bill Payment (Check)	10423	Errol L Montgomery & Associates Inc	Annual Report and Evaluation	R	-40,030.50
						-40,030.50
03/11/2025	Bill Payment (Check)	10424	Regional Water Management Foundation	Grant Admin, Reporting, and Compliance	R	-32,770.68
						-32,770.68
03/11/2025	Bill Payment (Check)	10425	SCI Consulting Group	Data Gathering and Review of GSP	R	-5,655.00
						-5,655.00
03/11/2025	Bill Payment (Check)	10426	Trout Unlimited Inc	Streamflow and Groundwater Monitoring	R	-19,884.41
						-19,884.41

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
03/11/2025	Bill Payment (Check)	10427	County of Santa Cruz Health Services Agency	Reimbursement for RWMF Admin Tasks	R	-68,033.96
						-68,033.96
03/11/2025	Bill Payment (Check)	10428	Santa Cruz County Parks	Room Rental Fee	R	-625.00
						-625.00
Expense						
04/07/2025	Expense	US0045P0Q3	Google - Online Payments	G Suite Subscription	R	-86.40
				Google Payment - G Suit		86.40
03/05/2025	Expense	US0045558P	Google - Online Payments	G Suite Subscription	R	-86.40
				Google Payment - G Suit		86.40

June 12, 2025

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 6.2.1
Title: GSP Implementation Status Update
Attachment(s): None

Recommended Board Action: No action required, informational report only.

The intent of this memorandum is to provide status updates on Groundwater Sustainability Plan (GSP) implementation activities not covered elsewhere on the Board agenda.

Well Registration and Metering Program – Following Board adoption of the policy requiring well registration, metering, and reporting for non-de minimis groundwater users, Regional Water Management Foundation (RWMF) staff has continued to work with well owners to determine applicability of the policy. Based on the latest information, it is estimated that 5 wells are subject to the policy. Of the 5 wells, 3 have existing meters and 2 do not. RWMF is continuing to coordinate with those owners to determine if MGA can provide assistance for installing meters.

Seawater Intrusion Investigation – RWMF and M&A staff are coordinating on the seawater intrusion investigation in the Seascapes area. The investigation is exploring options for additional geophysical investigation to characterize the potential advancement of high salinity water in the subsurface near Seascapes. Additional data is also being collected through data loggers installed within the screen intervals of the deep monitoring well on Dolphin Drive near Sumner Avenue, the deep monitoring well at the end of Sumner Avenue, and the shallow monitoring well at the end of Sumner Avenue that are measuring groundwater levels and electrical conductivity. Preliminary data from the deep monitoring wells is showing an influence from tides on electrical conductivity and water levels. An additional data logger may be installed in the Seascapes deep monitoring well near Seascapes Boulevard. This will provide a more detailed understanding of water quality changes through time.

Dry Season Streamflow Monitoring – Dry season streamflow monitoring began at locations on Soquel and Aptos creeks in mid-May and is expected to run through October 31. Trout Unlimited will conduct the monitoring. The data helps MGA understand the relationship between groundwater and local streams. The data will inform the Agency's assessments of progress towards meeting the sustainability criteria as required under the SGMA.

Small Groundwater Sustainability Agency Coalition Outreach – Rob Swartz is participating in the Small Groundwater Sustainability Agency Coalition (Coalition) to increase awareness of the challenges that small groundwater basins encounter in complying with

the Sustainable Groundwater Management Act (SGMA). Mr. Swartz and other Coalition representatives met with state legislative representatives on May 7, 2025, in Sacramento to describe our common issues related to the high cost of SGMA compliance. Mr. Swartz is also participating in a Coalition working group to explore ways to reduce SGMA reporting expenses. The working group met with Department of Water Resources representatives on May 8, 2025. The meetings have explored ways to streamline annual reports to help reduce compliance costs and discussed tools being developed by DWR that could make annual reporting more efficient. DWR has committed to recurring meetings with the Coalition to discuss ways to reduce costs.

Recommended Board Action: No action required, informational report only.

Submitted by:

Rob Swartz
Senior Planner
Regional Water Management Foundation

Santa Cruz Mid-County Groundwater Agency

Sustainable Groundwater Management Act Implementation Grant (Agreement #4600014636)

Update: June 2025

1. Project: Cunnison Lane Groundwater Well

Lead: Soquel Creek Water District

Grant Award: \$1,734,560

Status: Well construction completed;

Treatment Plant designs underway.

Activities to Date: Cunnison Lane Groundwater Well construction completed in fall 2024. Geotechnical and topographic surveys in support of water treatment plant (WTP) design were completed. 60% Design for WTP completed in March 2025. District hosted a subsequent 60% design review workshop on April 30, 2025. Design of the raw water pipeline connection between Cunnison well and the treatment facility was accelerated from the WTP design effort and completed in December 2024 to facilitate construction during summer 2025.

2. Aquifer Storage & Recovery (ASR), Beltz Wellfield

Lead: City of Santa Cruz

Grant Award: \$1,650,000

Status: Underway.

Activities to Date: The City's consultant, Carollo Engineers Inc., completed design to convert the Beltz 12 production well into an ASR facility; Awarded bid for construction/upgrades at Beltz 12 to South Valley Companies in February 2025; issued Notice to Proceed in March 2025. Construction to start in summer 2025. Ongoing development of designs for Beltz 8; 90% design in progress.

3. Park Avenue Transmission Main Improvements

Lead Agency: Soquel Creek Water District

Grant Award: \$740,440

Status: Completed

Grant funded activity was completed in 2024.

4. Technical Development of GSP Group 1 & 2 Projects

Leads: Soquel Creek WD & City of Santa Cruz

Grant Award: \$1,900,000

Status: Underway

Activities to Date:

Task 1: Develop Objectives and Project Components to Analyze (Led by District). Brown and Caldwell (BC) serves as lead consultant working with District, City, and others on the development and evaluation of alternatives and costs. This task is complete.

Task 2: Groundwater Modeling (Led by City). Montgomery and Associates (M&A) serves as lead consultant working with City, District, BC, and hydraulic modeling consultant Akel Engineering. Completed activities include substantial completion of modeling within selected project alternative tracks (Pure Water Soquel (PWS), Aquifer Storage & Recovery (ASR), and transfers using machine-learning guided optimization. This process was used to narrow down thousands of scenarios under the project alternative tracks to four

continued

<p>4. Technical Development of GSP Group 1 & 2 Projects</p> <p>Leads: Soquel Creek WD & City of Santa Cruz</p> <p>Grant Award: \$1,900,000</p> <p>Status: Underway</p>	<p>that represent different ways PWS, ASR, and transfers could be implemented. A technical memorandum (TM) summarizing this work has been completed and the four selected scenarios are further analyzed under Tasks 4-7.</p> <p>Task 3: Hydraulic Modeling (Led by District). Akel Engineering serves as lead consultant working with District, City, and M&A. Akel completed the hydraulic modeling component of the Study and prepared a TM summarizing this work.</p> <p>Task 4: Water Quality and Regional Compatibility/Optimization (Led by District). BC serves as lead consultant on water quality component. This work included modeling selected projects for potential distribution system water quality impacts and to identify additional water quality studies or treatment needed for project implementation. BC completed this component and summarized the results in a TM.</p> <p>Task 5: Economic and Financial Analysis/ Modeling (Led by District). BC serves as lead consultant with subconsultants performing specialized evaluations of the selected projects for cost and economic impacts. This TM has been completed.</p> <p>Task 6: Needs Assessment (Led by District). BC serves as lead consultant with subconsultants performing specialized evaluations of the selected projects for social, environmental, regulatory, legal & institutional needs. BC is reviewing comments on the draft and working on the final TM.</p> <p>Task 7: Develop Final Report with Recommendations and Implementation Workplan (Led by District). BC is currently developing the report which is expected to be completed in summer 2025.</p>
<p>5. Sustainable Groundwater Management Evaluation & Planning</p> <p>Leads: MGA & County of Santa Cruz</p> <p>Grant Award: \$1,575,000</p> <p>Status: Underway</p> <p>Continued</p>	<p>GSP Implementation activities underway: 2025 groundwater model improvements; streamflow and groundwater monitoring; development of non-de minimis groundwater usage metering program and continued follow- up from March SGMA compliance funding workshop for domestic groundwater users served by a private well.</p> <p>The first GSP Periodic (5-Year) Evaluation was completed and submitted to DWR in January 2025. Water Year 2024 Annual Report was completed and</p>

5. Sustainable Groundwater Management Evaluation & Planning

Leads: MGA & County of Santa Cruz

Grant Award: \$1,575,000

Status: Underway

submitted to DWR in March 2025. Global Imaging Partners analyzed prior AEM data (2017 and 2022) and available alternatives for additional analysis of existing seawater intrusion in the Seascape area.

M&A continues an evaluation of seawater intrusion in the Seascape area, evaluation of the Basin monitoring network, and groundwater model improvements.

Trout Unlimited continues streamflow monitoring, data collection and reporting, associated shallow groundwater monitoring, data collection, and reporting.

SCI Consulting is leading a study on long-term funding options for SGMA regulatory compliance.

RWMF staff continues GSP Implementation activities including coordination with MGA member agency staff on GSP Projects and Management Actions, coordination with member agencies and consultants to support GSP implementation efforts, coordination of Basin monitoring network evaluation, groundwater metering program and well registration planning, meeting coordination and facilitation with MGA Member Agency staff, support for monitoring data and Data Management System (WISKI) and online portal, participation in County well ordinance technical advisory committee. Staff also supported planning activities on agency authorities. Supported outreach activities including website content updates, and e-blast newsletters.