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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (MGA)

Board of Directors Regular Meeting Thursday, September 9, 2021 at 7:00 p.m.

In response to COVID-19, on June 11, 2021, the Governor issued Executive Order N-8-21 which waived certain provisions of the Brown Act and allowed public meetings to be conducted via teleconferencing or other electronic means.

The information below provides an opportunity for members of the Board and the public to participate in a simultaneous webcast or to join by telephone.

Webcast (audio and video): <https://global.gotomeeting.com/join/290098493>

To dial in by phone: United States: [+1 \(872\) 240-3311](tel:+18722403311)

Access Code: 290-098-493

AGENDA

- 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 (MGA). Guidelines attached.
- 4. Consent Agenda (Page 4)**
 - 4.1 Approve June 17, 2021 Board Meeting Minutes (no memo)
 - 4.2 Approve Revised MGA Procurement Policy

5. General Business (Page 29)

- 5.1 Approve First Amended Bylaws
(Page 29) Staff Recommendation
- 5.2 Annual Election of Officers by the Board of Directors
- 5.3 Consider Appointment, Effective Date, and Term of Appointment
for the Private Well Owner Directors
(Page 47) Possible Board Actions
- 5.4 Approve Formation of Temporary Board Committee for Initial
Development of the Non-*De Minimis* Metering Program;
Approve Metering Program Guidelines; and Provide Direction on
Program Incentives
(Page 53) Staff Recommendation

6. Informational Updates (Page 57)

- 6.1 Status Update on Groundwater Sustainability Plan Implementation
 - 6.1.1 Projects and Management Actions
 - 6.1.2 Data Management System
 - 6.1.3 Monitoring Network Expansion
 - 6.1.4 Metering Program
- 6.2 Treasurer's Report (Page 57)
- 6.3 Report on Contract Change Order for the Regional Water
Management Foundation (Page 68)

7. Future Agenda Items

8. Written Communications and Submitted Materials (None)

9. Adjournment

Next Board Meeting: December 16, 2021



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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 Laura Partch at 831-662-2053 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 Olin, 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 Laura Partch at admin@midcountygroundwater.org or 831-662-2053 for information or to request an accommodation.



SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
Board of Directors Remote-Access Meeting
Thursday, June 17, 2021 – 7:00 p.m.

DRAFT MINUTES

1. Call to Order

The meeting was called to order by Vice Chair Baskin at 7:05.

2. Roll Call

Directors present: Curt Abramson, David Baskin, Zach Friend, Bruce Jaffe, Jon Kennedy, Jim Kerr, Manu Koenig, and Marco Romanini (late arrival).

Directors absent: Justin Cummings, Tom LaHue, and Rob Marani.

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

Others present: Former Board member Cynthia Mathews, Board Alternates Robert Schultz and Allyson Violante, Montgomery & Associates consultant Georgina King, and several members of the public.

3. Presentation

**3.1 California Department of Water Resources Initial Assessments
Groundwater Sustainability Plans and Approval of the Santa Cruz
Mid-County Groundwater Basin GSP**

Staff provided a video presentation by the Department of Water Resources (DWR) announcing the release of DWR's first assessments of Groundwater Sustainability Plans (GSPs) submitted under the Sustainable Groundwater Management Act (SGMA), including the approval of the GSP for the Santa Cruz Mid-County Groundwater Basin (Basin). The video is available at: <https://www.youtube.com/watch?v=jd9QW5rMXGM>.

The discussion that followed included appreciation for all those involved in the collaborative, cooperative, and successful effort to prepare the Basin GSP, including: Board members, member agency staff, the GSP Advisory Committee, consultants, and all other groups that participated in the process. Special acknowledgements went to Georgina King of Montgomery & Associates (M&A), and former Regional Water Management Foundation (RWMF) senior planner Darcy Pruitt.

4. Oral Communications Related to Items Not on the Agenda

Issues within the purview of the Santa Cruz Mid-County Groundwater Agency (MGA). Guidelines attached.

No oral communications.

5. Consent Agenda

5.1 Approve March 18, 2021 Board Meeting Minutes (no memo)

5.2 Approve Revised Guidance for Oral and Written Communications and Disability Access

MOTION: Director Jaffe; Second, Director Friend. To approve the consent agenda. Motion passed unanimously by roll call vote.

6. General Business

6.1 Approve Annual Budget for Fiscal Year 2021/22

Staff presented the Fiscal Year (FY) 2021/22 annual budget, similar in format and amounts to the draft budget presented to the Board in March, and noted the differences.

In Table 1, Budget Summary, the total operating expenses (\$419,100) are less than projected in March, and the total ending reserves (\$1,538,993) are higher by \$23,000. The biggest substantive change in the budget is that the cost of the 5-year update is spread over four budget years. This upcoming year will be the first of a series of member agency contributions towards that cost, but instead of being characterized as operating expense (since the GSP update will be a future expense), it is included within the reserves, resulting in a shift of \$75,000 from FY 2021/22 operating expenses to ending reserves.

In Table 2, Operating Expenses, the projected total under Administration is higher than previously anticipated and has been raised by \$15,000 for both the current year and for FY 2021/22. Although legal costs have come in under budget for many years, it seemed prudent to keep that at \$20,000. Adjustments were made following DWR approval of the GSP since the comments by DWR will be addressed in the GSP 5-year update. Minor changes were made to the design and anticipated construction timeline for the Monitoring Network Expansion. The GSP reporting budget category no longer includes the \$75,000 contribution towards the 5-year update mentioned previously. The budget includes a best estimate for the 5-year plan based upon DWR's approval of the initial GSP. The process for the 5-year update will be a topic of future Board and staff discussions.

No public comment or Board discussion.

MOTION: Director Friend; Second, Director Jaffe. To approve the proposed MGA FY 2021/22 Budget. Motion passed unanimously by roll call vote.

6.2 Approve Amended MGA Governing Documents

Staff reviewed substantive changes to the first amended Joint Powers Agreement (JPA) following Board direction in March, as detailed in the accompanying table. Staff noted the minor additional changes to the first amended Bylaws.

If approved, the amended JPA will go to the individual member agencies for approval over the summer and will return to the MGA Board only if revisions are requested. Given the timing of the member agency meetings, notice of the amendments to the Bylaws may be provided in early August so that if the JPA is approved, the Board will have the 30-day notice required by the Bylaws for any amendment.

No public comment or Board discussion.

MOTION: Director Kennedy; Second, Director Jaffe. To approve the proposed amendment to the JPA and Bylaws. Motion passed unanimously by roll call vote.

6.3 Approve Montgomery & Associates Contract No. 2020-4, Amendment 1

The Board previously approved a multi-year contract with M&A. As previously discussed with the Board, the contract is anticipated to be amended least annually to incorporate a specific scope of work, schedule and budget on a fiscal year basis. Amendment 1 proposes the anticipated work for FY 2021/22.

The scope of services, detailed in the Board memo, includes the Year 3 annual report, work with the firm KISTERS on the Data Management System (DMS), initial GSP corrective actions (amounts for corrective actions and the 5-year update were reduced following DWR approval of the GSP), work with Balance Hydrologics (Balance) on Monitoring Network Expansion, keeping the MGA apprised of SGMA developments and related DWR efforts (i.e. reports, grant funds, data uploads, etc.) and, at the request of Executive Staff, potential groundwater modeling not related to the annual report.

No public comment or Board discussion.

MOTION: Director Kerr; Second, Director Romanini. To authorize the Board Chair to execute an amendment to the Professional Services Agreement (Contract 2020-4, Amendment 1) with Errol L. Montgomery and Associates, Inc. for an amount not to exceed \$124,850; and, authorize the General Manager of Soquel Creek Water District to sign a purchase order for Montgomery & Associates in an amount not to exceed \$124,850. Motion passed unanimously by roll call vote.

6.4 Approve Contract for Administrative and Staff Support from the
Regional Water Management Foundation in FY 2021/22

Executive staff noted that, as set out in the memo, RWMF provides administrative support for Board meetings, grant reporting, agency management, planning, implementation of the GSP, and stakeholder engagement.

The Executive Team supports this contract as a sole source procurement under the MGA Procurement Policy, believing it is a reasonable contract price given that RWMF handles the detailed work of the MGA and supports the work of the Board and member agencies.

No public comment or Board discussion.

MOTION: Director Friend; Second, Director Jaffe. To authorize the Board Chair to execute the contract not to exceed \$160,700 with the RWMF for the scope of services 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 in the above motion. Motion passed unanimously by roll call vote.

6.5 Approve Consultant Selection for Non-*De Minimis* Metering Program
and Authorize Contract

Staff reported that the Board Temporary Committee (Committee), consisting of Directors Jaffe, Kerr and Kennedy, met to review and approve the Request for Proposals (RFP) for the Metering Program, and to review the proposals received. In response to the RFP, the MGA received a single proposal from the consulting firm Geosyntec. The Committee recommended that the proposal be accepted and move forward to contracting. The Committee members plan to continue by participating with a kick-off meeting for the metering program.

No public comment or Board discussion.

MOTION: Director Kennedy; Second, Director Kerr. To affirm the Committee's selection of Geosyntec for the development the Non-*De Minimis* Metering Program; to authorize the Member Agency Executive Staff to complete contract negotiations with Geosyntec for the proposed services; and to authorize the Board Chair or the General Manager of the Soquel Creek Water District to execute a contract with Geosyntec for an amount not to exceed \$64,000, and authorize the General Manager of the Soquel Creek Water District to sign a purchase order for Geosyntec in an amount not to exceed \$64,000. Motion passed unanimously by roll call vote.

7. Informational Updates

7.1 Treasurer's Report

Staff offered to field questions on the Treasurer's Report as the Treasurer was unable to attend the meeting.

No public comment or Board discussion.

7.2 Staff Reports

Data Management System: Staff reported that the technical team from the consulting firm KISTERS, Georgina King of Montgomery & Associates, and agency staff from both the MGA and the Santa Margarita Groundwater Agency (SMGWA) met to discuss and advance development of the DMS. The framework is completed and reflects a significant effort on behalf of agency staff and the consultants. The developing DMS has already been successful for reporting purposes. Historical data will be entered next, then development of the portal, and finally staff training will occur. The DMS is expected to be completed by the end of the year. A future demonstration of the DMS will be presented to the Board once the development is further along.

Will all the member agencies be able to access this information as needed?

- Yes, the member agencies of both the MGA and SMGWA will be able to access Basin information. Georgina King is a technical advisor for both Groundwater Sustainability Agencies (GSAs); the coordination of these neighboring GSAs/groundwater basins on a common DMS is a wonderful asset for this region.

Monitoring Network Expansion: Staff reported this is a grant-funded project to install shallow monitoring wells and stream gages where data gaps were identified in the GSP. Balance is in the process of identifying potential locations for the shallow wells, most of which are within County right of way; it appears that only one location is on private property and will require an easement. Once well locations are finalized, the working group (Balance, M&A, and staff) will identify locations for stream gages.

DWR Aerial Surveys: Staff reported DWR will be conducting airborne electromagnetic (AEM) surveys to gather information about aquifer structures that will support the development and implementation of GSPs. The surveys are starting this summer and will move north through the Central Valley. There are DWR constraints on the program, such as limitations on where they can fly (i.e. not over buildings, and not offshore). They will also use a course grid, whereas the MGA used a fine grid. Staff attended a presentation and learned it will not be possible to pay for a finer resolution. The Basin is so small this survey might not provide much information, but DWR will be reaching out about other technologies and wants to collaborate on gathering additional data.

Groundwater Association of California: Sierra Ryan recently gave a presentation on Basin GSP water quality indicators and the regulatory landscape. The presentation was well received and it was helpful to finally report that what was proposed in the Basin GSP had met DWR's standards.

When we will see the minor changes requested by DWR for the GSP?

- The MGA response to recommendations in the DWR approval letter will be included in the 5-year update.

Future Board Meeting: A recent Executive Order by the Governor authorizes remote meeting through September 30th. Executive Team is discussing future meeting formats and locations.

Would the Board consider meeting at an earlier time, perhaps 6:00 p.m.?

- This will be added to the agenda for the September meeting.

Future Funding Opportunities: With the state budget surplus, it is anticipated DWR will be making grant funding available later this year, including \$300 million to support SGMA implementation. Staff expects to bring to a future Board meeting a draft Board policy or guidance on approaching possible grant opportunities. This is based in part on questions raised during the discussion of a prior grant funding opportunity about the roles and obligations of the member agencies, particularly regarding cost share/match funding obligations. Staff plans to develop procedures and guidance on pursuing potential funding opportunities.

8. Future Agenda Items

Staff will update the status of implementation projects at the next Board meeting.

9. Written Communications and Submitted Materials

- 9.1 [Letter from DWR Approving Basin GSP and Statement of Findings, dated June 3, 2021](#)

10. Adjournment

The meeting was adjourned at 8:23.

Next Board Meeting: September 9, 2021

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.2

Title: Approve Revised MGA Procurement Policy

Attachments:

1. Proposed Revised MGA Procurement Policy

Background:

The current Santa Cruz Mid-County Groundwater Agency (MGA) Procurement Policy (Policy) was approved by the Board on November 19, 2020.

At its meeting on June 17, 2021, the Board approved of the First Amended Joint Power Agreement (JPA). The JPA was subsequently approved by each of the MGA Member Agencies.

Two amendments are proposed to Section 5 of the Policy: one is to make the Policy consistent with the amended JPA, and the other regards the MGA contingency reserves and the approval authority for expenditures from the contingency reserves.

Proposed Amendments:

1. Section 5

The second paragraph of Section 5 states that “Any purchase not covered under an existing budget allocation must be approved through the Operating Contingency Reserve (OCR)”. The MGA annual budget includes a contingency allocation that, if unspent, accumulates in the General Reserve, but does not have an OCR. As such, Section 5 is amended to read: “Any purchase not covered under an existing budget allocation will be paid through budgeted contingency reserves upon approval of either the Board or Executive Team consistent with the approval thresholds of Section 5.1.” These approval thresholds provide that Executive Team approval is required for a purchase of up to \$50,000, and Board approval is required for any purchase over \$50,000.

2. Section 5.1

The final paragraph of Section 5.1 is revised to be consistent with Section 9.3 of the JPA. The revised Section states “any expenditure estimated to cost \$100,00 or more

that is not included in the Agency's annual budget must be approved by unanimous vote of all Member Agency directors participating in voting pursuant to Section 9.3 of the First Amended JPA".

Recommended Action:

BY MOTION, approve the proposed revisions to the Section 5 of the MGA Procurement Policy.



By _____
Tim Carson
Program Director
Regional Water Management Foundation

On behalf of the MGA Executive Staff
Ron Duncan, General Manager, Soquel Creek Water District
Ralph Bracamonte, District Manager, Central Water District
Heidi Luckenbach, Interim Water Director, City of Santa Cruz
Sierra Ryan, Interim Water Resources Manager, County of Santa Cruz

Santa Cruz Mid-County Groundwater Agency
Procurement Policy

Approved by the MGA Board of Directors

November 19, 2020

**SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
PROCUREMENT POLICY**

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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

PROCUREMENT POLICY

1. AUTHORITY

The Santa Cruz Mid-County Groundwater Agency (MGA) is a joint powers agency organized under the laws of the State of California. A Joint Powers Agreement (JPA) was executed on March 17, 2016, by four member agencies (Members): the Soquel Creek Water District, the City of Santa Cruz, the County of Santa Cruz, and the Central Water District.

Under the JPA, the MGA has the authority to make and enter into contracts necessary to the full exercise of its power, and to employ, designate or otherwise contract for the services of agents, officers, employees, attorneys, engineers, planners, financial consultants, technical specialists, advisors and independent contractors.

2. PURPOSE

The purpose of the MGA Procurement Policy (Policy) is to establish a framework for the procurement of goods and services by the MGA. The Policy is designed to comply with applicable procurement standards, promote fairness in the procurement process, ensure the fiscal integrity of the MGA, and provide the flexibility needed to efficiently conduct the business of the MGA.

Any exceptions to this policy must be approved by the Board of Directors. The Board of Directors may, by majority vote and in accordance with its fiduciary responsibilities, approve expenditures in any amount and for any length of term that are not otherwise inconsistent with any applicable law or contract.

3. ADMINISTRATION

The MGA operates under a collaborative staffing model in which senior-level executive staff of the four Members (Executive Staff) are responsible for the management and administration of the MGA. Executive Staff include: the General Manager of the Soquel Creek Water District, the Director of the City of Santa Cruz Water Department, the County of Santa Cruz Water Resources Division Director, and the District Manager of the Central Water District.

The MGA Treasurer is the Finance and Business Services Manager of the Soquel Creek Water District. The MGA Treasurer and staff (MGA Financial Team) facilitate procurement payments as provided in this Policy and in the MGA Procurement Procedures. The MGA Board Clerk is the Executive Secretary/Board

Clerk of the Soquel Creek Water District (SqCWD).

4. GENERAL PROCUREMENT STANDARDS

4.1 Code of Conduct

The purpose of the Code of Conduct is to give guidance to representatives of the MGA so that they conduct themselves in a manner that is compatible with the best interests of the MGA and maintain compliance with California Government Code §1090, *et seq.* Representatives of the MGA are expected to: conduct themselves in a professional and ethical manner, maintain high standards of integrity, use good judgment, be principled in their business interactions, and act in good faith with individuals both inside and outside the Mid-County Groundwater Basin.

The following Code of Conduct shall govern the performance, behavior and actions of the MGA, including employees, Member agency employees, appointed or elected officials, volunteers, consultants, or agents (collectively referred to as “MGA Representatives”) who are engaged in any aspect of procurement, including, but not limited to, purchasing goods and services, awarding contracts and grants, and the administration and supervision of contracts or subcontracts:

- No MGA representative or agent of the MGA shall participate in the selection, award, or administration of a contract if a conflict of interest exists under applicable law. The Executive Staff, at their sole discretion, may also require any employee, official, volunteer, consultant or agent of the MGA to refrain from participation in the selection, award, or administration of a contract to avoid the appearance of conflict of interest.
- A conflict would arise if the MGA representative or agent of the MGA or any member of his or her immediate family, his or her partner or partner’s immediate family, or an organization which employs or is about to employ any of the parties indicated herein, has a real or apparent financial or other interest in, or receives tangible personal benefit from, the firm selected for an award. It is imperative that the MGA representative disclose to the Executive Staff as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties. (Immediate family members are defined as a spouse, domestic partner, legal guardian, son, daughter, mother, father, sister, brother, grandparents, or grandchild. Adopted, half, and step members are also included in immediate family).

- No MGA representative or agent of the MGA shall do business with, award contracts to, or show favoritism toward a member of his or her immediate family, his or her partner or partner's immediate family, or to any company, vendor, contractor, or parties to subcontractors who either employ or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of federal, state and local procurement laws and policies established to maximize free and open competition among qualified vendors.
- MGA Representatives may not solicit, accept or agree to accept any gratuity for themselves, their immediate families or others that would or could result in personal gain. Personal gain may result not only in cases where an employee or immediate family member has a significant interest in a firm, or subcontractor of a firm, with which the MGA does business but also when an employee or immediate family member receives any gift or special consideration as a result of any transaction or business dealings involving the MGA. The following items are not considered gratuities:
 - Discounts or concessions routinely available to the general public
 - Items less than twenty-five dollars (\$25) that are turned over to the MGA for general MGA use
 - Inexpensive advertising items bearing the name of the vendor, such as pens, cups, candy, calendars, etc. that have a monetary value of less than twenty-five dollars (\$25)
- Disciplinary actions, up to and including termination for cause, will apply to any violation of these conflict of interest standards, in accordance with MGA policy, and/or, as applicable, a collective bargaining agreement, employment contract, or contract for services.

4.2 Fair Competition

MGA Representatives must discharge their duties impartially to assure fair competition among responsible vendors. All vendors will be treated equally and fairly at all times by all MGA Representatives, with equal information given to each vendor who participates in the procurement process. Prequalified lists of persons or firms, or products used in acquiring goods or services, are to be kept current and include enough qualified sources to ensure maximum open and fair competition.

- MGA Representatives may not place unreasonable restrictions on competition, including any of the following:

- Placing unreasonable requirements on vendors to qualify for a procurement
 - Requiring unnecessary experience and bonding
 - Noncompetitive pricing practices between vendors or affiliated companies
 - Awarding noncompetitive contracts to consultants that are on retainer contracts
 - Organizational conflicts of interest
 - Specifying a brand name product instead of allowing an equal product to be offered (brand names may be specified in instances where no grant funding is applicable to the project as long as the procurement remains competitive)
 - Non-compliance with sole source restrictions
 - Precluding potential bidders from qualifying during the solicitation
 - Any arbitrary action in the procurement process
- MGA Representatives shall ensure that any vendor that develops or drafts specifications, requirements, statements of work, invitation for bids, requests for qualifications, or requests for proposals for a procurement is excluded from competing in that procurement.
 - All solicitations will incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standard to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used as a means to define the performance or other relevant requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated.
 - Bids and proposals shall identify all the requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Notwithstanding any provision in this Policy, procurements funded by a state or federal funding program shall be conducted in a manner that satisfies all funding requirements.

4.3 Solicitation Procedures

The MGA has established procurement procedures to guide the

conservative utilization of resources.

- Acquisition of unnecessary or duplicative items must be avoided. Consideration should be given to consolidating or dividing procurements to obtain a more economical purchase. When appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services, the MGA shall enter into state and local inter-governmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
- Encourage the procurement of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- Value engineering clauses may be used in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lowest cost.
- Contracts shall only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- Records will be maintained sufficient to detail the history of the procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. The Board Clerk will be the repository for said records which shall be maintained according to the MGA's written record retention schedule.
- The MGA will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the MGA of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

5. PURCHASING APPROVAL THRESHOLDS

All expenditures must be approved in the fiscal year budget approved by the MGA Board of Directors (Board). The purchasing approval thresholds below establish the authority of either Executive Staff or the Board to approve individual expenditures within the fiscal year.

The Board may, however, approve expenditures in any amount and for any length of term that are not otherwise inconsistent with any applicable law or contract. Any purchase not covered under an existing budget allocation will be paid through budgeted contingency reserves upon approval of the Board or the Executive Team pursuant to the Authority Thresholds at Section 5.1. ~~must be approved through the Operating Contingency Reserve (OCR).~~

5.1 Authority Thresholds

Procurements of up to \$50,000 must be approved by a member of the Executive Staff.

Procurements over \$50,000 must be approved by the Board.

Any ~~capital~~ expenditure ~~estimated to cost greater than~~ \$100,000 ~~or more that is not included in the Agency's annual budget must be approved by a unanimous vote of all Member Agency directors participating in voting pursuant to Section 9.3 of the~~ ~~must be approved by the unanimous decision of the member directors of the Board pursuant to First Amended JPA, Section 9.3.~~

5.2 Contract Change Orders

Contract change orders (CCO) may be executed for projects that are in progress provided:

- Executive Staff approves all CCOs within its authority threshold;
- The Board approves all CCOs within its authority threshold;
- The total of all CCO's do not exceed the amount approved in the annual budget unless approved by the Board; and
- The CCO is within the authorized scope of work for the contract. Out-of-scope (supplemental agreements) must be separately bid and authorized by the Executive Staff for contracts within its approval authority, or by the Board.

A project is “in process” between the execution of the contract and/or Notice to Proceed, whichever is earlier, and final completion of the contract. Executive Staff shall report to the Board at the next Board meeting any CCO executed under this authority.

6. PROCUREMENT REQUIREMENTS

6.1 Purchases less than \$5,000

The price of any purchase must be considered reasonable by anyone duly authorized by the MGA.

6.2 Purchases from \$5,000 to \$50,000

Price or rate quotations from at least three (3) qualified sources must be submitted to the MGA Financial Team or proof of compliance with one or more of the factors for sole source procurement set forth in Section 6.5, below.

6.3 Purchases greater than \$50,000

All goods or services over \$50,000 are to be procured by the formal solicitation processes unless it is determined that the requirements of sole source procurement set forth in Section 6.5 are satisfied. Competitive proposals require formal solicitation, this includes fixed-price or cost-reimbursement contracts, and are used when sealed bids are not appropriate. The solicitation will often include evaluative factors other than price, and these factors shall be identified in the solicitation document, as well as how the factors will be weighted in the final consideration of bids.

6.3.1 Requests for Proposals

If a Request for Proposals (RFP) is used, the following requirements apply:

- The RFP must be publicized and identify all evaluation factors and their relative importance;
- Proposals must be solicited from an adequate number of qualified sources so as to ensure fair competition;
- The methods for technical evaluations of the proposals received and for selecting recipients may include, but are not limited to, oral interviews, reference checks, past performance, availability to perform work, and appropriate certifications as determined by project scope;

- Written procedures are required for all RFP technical evaluations and must be retained in the event of an audit;
- Any response that takes exception to mandatory items in the RFP proposal process may be rejected and not considered; and
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the MGA, with price and other qualitative factors considered.

A review and selection committee may be appointed to evaluate and rank the proposals and may be comprised as follows:

- The number of committee members and consultants to be interviewed shall be at the discretion of the Executive Staff or Board.
- The committee may include Executive Staff, other appropriate Member staff, other qualified individuals, or qualified and unbiased members of the professional discipline being considered; and
- If authorized by the Board, Board member(s) may participate in the selection committee.

6.3.2 Requests for Qualifications

Requests for Qualifications (RFQ) must be used for the required qualification-based procurement of architectural, landscape architectural, engineering, environmental, land surveying, and construction management services (collectively “A/E” professional services). The selection will be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required, pursuant to Government Code Section 4526.

Criteria for selecting an A/E firm should include such factors as professional excellence, demonstrated competence, specialized experience of the firm, education and experience of key personnel, staff capability, workload, ability to meet schedules, principals to be assigned, nature and quality of completed work, reliability and continuity of the firm, location, professional awards, and other relevant considerations. Such factors shall be weighed according to the nature and complexity of the project, the needs of the Agency, and the special requirements of the specific project.

Under an RFQ, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.

6.3.3 Sealed Bids

Sealed bids are an alternative procurement method for purchases over \$150,000 that are not suited to Competitive Proposals under Sections 6.3.1 or 6.3.2.

Competitive sealed bids are publicly solicited and a firm fixed-price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the Invitation for Bids (IFB), is the lowest in price. Upon obtaining and awarding bids, purchases must be approved pursuant to the approval guidelines in section 5.1. Purchases of materials, supplies, components or chemicals that will be in contact with drinking water must be NSF 60/61 certified and a certification form must accompany the purchase requisition.

This method is appropriate when the following conditions exist:

- A complete, adequate and realistic specification or purchase description is available, which can exist for some construction projects, vehicle or inventory purchases;
- Two or more responsible bidders are willing and able to compete effectively for the business; or
- The procurement lends itself to a firm fixed-price contract (lump sum or unit) and the selection of the successful bidder can be made principally on the basis of price.

If the sealed bid method is used, the following conditions apply:

- The Invitation for Bids (IFB) must be publicly advertised;
- Bids must be solicited from an adequate number of known suppliers, and bidders must be provided a sufficient response time prior to the date set for opening bids;
- The IFB, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be publicly opened at the time and place prescribed in the IFB;

- A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually employed; and
- Any and all bids may be rejected if there is a sound documented reason.

6.3.4 Contract Cost or Price Analysis

As part of the selection process for every purchase over \$150,000, some form of cost or price analysis must be performed, including any contract modifications. A price analysis is the process of comparing total price among comparable offers, whereas a cost analysis is the process of reviewing individual elements of cost that make up the overall price. If it is requested that costs are broken out in the submission of bid or proposal, each of the elements must be analyzed to determine whether it is fair, reasonable and beneficial to the overall deliverable.

6.4 Time and Materials Contracts

The use of time and materials contracts are discouraged and may only be used if 1) the contract includes a not-to-exceed price that the contractor exceeds at its own risk; and 2) the Board has determined no other type of contract is suitable and the reasons for unsuitability are well documented. The cost of a time and materials type contract is the sum of the actual cost of materials plus direct labor hours charged at a fixed hourly rate that include wages, administrative expenses and profit. Such contracts are disfavored because they provide no positive profit incentive for cost control or labor efficiency, and require a higher degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

6.5 Sole Source Procurement

All goods or services over are to be procured as presented in Sections 6.1 to 6.4 above unless it is determined and documented that the requirements of sole source procurement are satisfied.

For procurements less than \$50,000, which require Executive Staff approval and for which a contract has been executed, a copy of the contract and the written justification for sole source procurement must be provided to the Board at the next meeting of the Board. For procurements over \$50,000, which require Board approval, the written justification must be distributed with the Board meeting

materials in advance of the meeting at which the contract is approved.

Sole source procurement may be utilized when competitive procurement would fail to produce an advantage or the procurement process is undesirable, impractical, or impossible. The following factors may justify sole source procurement:

- a) When the goods or services are needed on an emergency basis. Executive Staff may determine if an emergency exists and that the potential impacts to public health, safety or welfare of the community warrant this procurement method. All emergency purchases which would otherwise require competitive solicitation must be submitted to the Board for ratification at the next meeting of the Board.
- b) When the goods or services are either:
 - i. available from only one source, or
 - ii. unique due to the specialized skill or experience of the contractor, consultant or supplier, or
 - iii. proprietary in nature.
- c) When the goods or services are required to match, integrate or be compatible with an existing project or program and the work, materials or services are from a contractor, consultant or vendor who previously satisfactorily performed or provided work, materials or services to the MGA or a Member Agency.
- d) When the goods or services are obtained by cooperative procurements or “piggyback” on the competitive procurement process of another agency. The MGA shall have the authority to join with other public jurisdictions in cooperative purchasing plans, programs or pricing agreements. The MGA may also contract for Services and Supplies at a price established by competitive procurement by another public jurisdiction in substantial compliance with that public agency’s competitive procurement process. The MGA may also contract with any federal, state, municipality or other public agency.

7. CONTRACT REQUIREMENTS

7.1 All Contracts

All MGA contracts are signed by the Board Chair or Vice-Chair or a member of the Executive Staff and approved as to form by MGA legal counsel.

7.2 General Services Contracts

The purchase of general services (other than professional services, as defined below) under a service contract or agreement should generally not exceed a two-year term. Services associated with a project may be approved for a multi-year contract that coincides with the term of the project at the discretion of the Board. In instances where a shorter term contract could result in significant disruption of MGA operations, the Board may approve an extended contract.

7.3 Professional Services Contracts

Professional services may 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. Longer contracts preclude competitive procurement and are discouraged. Professional services are services requiring a high degree of professional, educational or technical skill such as services rendered by architects, landscape architects, engineers, environmental engineers, environmental planners, surveyors, construction managers, economists, bond counsel, bond underwriters, financial advisors, appraisers, actuaries, attorneys, auditors, software service providers, web designers, and others. Professional services associated with a project may be approved for a multi-year contract that coincides with the term of the project at the discretion of the Board. In instances where a shorter term contract could result in significant disruption of MGA operations, the Board may approve an extended contract.

Executive Staff is authorized to negotiate a contract detailing scope of work and fair and reasonable compensation with the firm whose competitive proposal ranked highest during the evaluative process. If the MGA is unable to negotiate a satisfactory contract with the highest ranked firm, negotiations may be formally terminated and the firm dismissed from further consideration. Negotiations may continue with subsequently ranked firms until an agreement is reached. The substance of previous negotiations will not be divulged by MGA member agency staff in discussions with subsequently ranked firms, and the submittals of unsuccessful candidates will be considered confidential. If no agreement is reached the MGA may consider re-publicizing the procurement.

7.4 Public Works Projects

7.4.1 Prevailing Wage Requirements

Public works projects are defined, for prevailing wage purposes, in California Labor Code Section 1720 to include construction (including design, inspection or surveying), alteration, demolition, installation, or repair, paid for in whole or in part out of public funds. No contractors or subcontractors may be awarded a contract for a public works project unless the contractor and subcontractor is registered with the California Department of Industrial Relations' Public Works

Contractor Registration Program.

7.4.2 MGA Responsibilities

For any public works project, the MGA must:

- Register the project with the Department of Industrial Relations (DIR) by filing a PWC-100 form within 5 days of the award of the contract (failure to provide timely submission can jeopardize state funding);
- Obtain prevailing wage rates from DIR;
- Notify potential contractors that they must register with DIR prior to bidding;
- Certify proof of contractor registration before awarding bid;
- Require contractors to post jobsite notices on public works requirements;
- Ensure contractor is paying prevailing wages in compliance with public works laws; and
- Report any suspected violations to the Labor Commission.

7.4.3 Contractor Responsibilities

For any public works project, the contractor must:

- Register with the Department of Industrial Relations (DIR) as a public works contractor;
- Pay prevailing wages on any project over \$1,000;
- Follow apprenticeship requirements for any project over \$30,000;
- Maintain and submit certified payroll records.

7.4.4 Small Project Exemption

A small project exemption exists for maintenance projects that do not exceed \$15,000, or new construction, demolition, alteration or repair projects that are less than \$25,000. Contractors who work exclusively on small projects that qualify for exemption are not required to register as a public works contractor or file electronic certified payroll reports but are still required to maintain certified

payroll records and provide them to the Labor Commissioner's office and the MGA on request. The MGA need not file a PWC-100 form for exempt projects.

7.4.5 Surety (Bonding) Requirements

For public works construction contracts or subcontracts the MGA has established the following sureties.

- A bid guarantee from each bidder equivalent to ten percent (10%) of the bid price. The bid guarantee must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- A faithful performance bond on the part of the contractor for no less than 100 percent (100%) of the contract amount. A performance bond is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- Required for contracts and subcontracts exceeding \$25,000: A payment bond on the part of the contractor for no less than 100 percent (100%) of the contract amount. A payment bond is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. The MGA must approve the bond before work begins and is not allowed to release payment to the contractor without an approved payment bond. This threshold is less than the MGA's threshold for sealed bids or competitive proposals but exceeds the threshold for small purchases requiring competitive pricing. A design professional is not considered a direct contractor in this instance and is therefore exempt from the bond requirement.
- A maintenance bond on the part of the contractor for no less than ten percent (10%) of the contract amount or \$2,000, whichever is greater, to remain in effect for a minimum of two years after the completion and acceptance of work performed under the contract. A maintenance bond protects the MGA against defects and faults in materials, workmanship, and design.

8. LOCAL BUSINESS PREFERENCE

To support the local business community, the MGA will provide a preference of up to 6% to vendors located within Santa Cruz County. The preference has two tiers: a

2% preference for vendors with a business location within Santa Cruz County, and an *additional* 4% preference when at least 50% of the business owners live in Santa Cruz County. The preference is used only for the evaluation of quotes, bids, or proposals, and does not reduce the amount of a submitted quote, bid, or proposal.

The business location must be a business address. Home-based businesses may qualify if they have a home occupancy permit.

The local business preference does not apply to the following: 1) purchases of less than \$5,000, 2) sole source procurements, 3) construction projects, 4) urgent purchases necessary to protect public health, welfare, or safety, 5) purchases made under a cooperative agreement, 6) purchase made by credit care, petty cash, or on claims, 7) purchases funded by outside agencies that prohibit the use of local business preferences, and 8) qualifications based selections in which price is not considered in the selection of which service provider to engage in negotiations.

When seeking quotes, bids, proposals for purchases of over \$5,000, the MGA will provide potential bidders with a Local Business Preference Certification Form to be returned with the quote, bid, or proposal.

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.1

Title: Approve First Amended Bylaws

Attachments:

1. First Amended Bylaws
2. Draft Board Resolution 21-01

On March 18, 2021, the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors reviewed proposed changes to the MGA Joint Powers Agreement (JPA) and Bylaws. The Board provided direction to staff on additional changes to both documents, which returned to the Board for a second review on June 17, 2021.

First Amended Joint Powers Agreement

At the June 17th meeting, the Board approved the First Amended JPA. The First Amended JPA also required approval by the four individual Member Agencies. Following approval by each Member Agency, the JPA would become effective upon approval by the last Member Agency.

The Member Agencies' approved the First Amended JPA on the following dates: Central Water District on July 19, 2021; Soquel Creek Water District on July 20, 2021; County of Santa Cruz and City of Santa Cruz on August 10, 2021.

The First Amended JPA is now final and effective August 10, 2021.

First Amended Bylaws

During the second review of the proposed First Amended Bylaws on June 17, 2021, the Board did not request any changes. The First Amended Bylaws were not approved at that meeting because 1) at least thirty (30) days written notice to the Board is required prior to any amendment, 2) and approval of the amended Bylaws was to occur after the First Amended JPA became effective to ensure consistency between the two governing documents.

In anticipation of final approval of the First Amended JPA on August 10, 2021, notice of the proposed amendment to the Bylaws was sent to all Board Directors and Alternates on August 3, 2021. Notice was also posted on the MGA website.

A recap of the completed schedule for approval of the First Amended JPA and First Amended Bylaws is presented below:

Item	Date
Initial Board Review of Draft Amendments JPA and Bylaws	3/18/21 (Board Meeting)
2 nd Board Review of Amendments to the First Amended JPA and First Amended Bylaws	6/17/21(Board Meeting)
Board Approval of the First Amended JPA and advancement to individual Member Agencies' for approval	6/17/21(Board Meeting)
Individual Member Agencies' Approval of the JPA	Completed 8/10/21
Written Notice of Proposed Amendments to Bylaws	Provided 8/3/21
MGA Board Approval of Bylaws	9/9/21 (Board Meeting)

Approval of the Bylaws requires a Board resolution and approval by a majority of the Board.

Recommended Action:

1. By MOTION and roll call vote, adopt Resolution No. 21-01 to amend the Bylaws and approve the First Amended Bylaws.



By _____

Tim Carson
Program Director
Regional Water Management Foundation

On behalf of the MGA Executive Staff

Ron Duncan, General Manager, Soquel Creek Water District
Ralph Bracamonte, District Manager, Central Water District
Heidi Luckenbach, Interim Water Director, City of Santa Cruz
Sierra Ryan, Interim Water Resources Manager, County of Santa
Agency

FIRST AMENDED BYLAWS

of the

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

Effective *Month, Day*, 2021

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PREAMBLE

These First Amended Bylaws, adopted and effective as of *Month Day*, 2021, amend and supersede the Bylaws adopted and effective as of May 19, 2016, and are pursuant to the First Amended Joint Exercise of Powers Agreement of the Santa Cruz Mid-County Groundwater Agency (“Agreement”). The Agreement was entered into by and among the Central Water District, the City of Santa Cruz, the County of Santa Cruz, and the Soquel Creek Water District, sometimes referred to herein individually as a “Member Agency” and collectively as the “Member Agencies”

Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement. If any term of these Bylaws conflicts with any term of the Agreement, the Agreement's terms shall prevail, and these Bylaws shall be amended to eliminate such conflict of terms.

ARTICLE 1. THE AGENCY

1.1 NAME OF AGENCY. The name of the Agency created by the Agreement is the Santa Cruz Mid-County Groundwater Agency (“MGA” or “Agency”).

1.2 PRINCIPAL OFFICE OF AGENCY. The principal office of the Agency shall be at the Soquel Creek Water District located at 5180 Soquel Drive, Soquel, CA 95073, or at such other location as the Board may designate by resolution.

1.3 POWERS. The powers of the Agency shall be as set forth in Article 4 of the Agreement.

1.4 PARENT AGENCY. Unless and until the Agency adopts its own administrative, management and operations policies and procedures, the administration, management and operation of the Agency shall be in accordance with existing applicable policies and procedures of the Soquel Creek Water District (“Parent Agency”).

ARTICLE 2. BOARD OF DIRECTORS

2.1 BOARD OF DIRECTORS. The Agency shall be governed by a Board of Directors (the "Board") as set forth in Article 6 of the Agreement.

2.2 PROCEDURE FOR APPOINTMENT OF DIRECTORS REPRESENTING PRIVATE WELL OWNERS.

2.2.1 Notification. The Board shall issue formal notification of the opportunity to apply for the appointment to the Board as Directors representing the interests of private well owners (“PWO”).

I. The notification shall include a description of the work of the Agency, the desired characteristics and skills of Directors representing the interests of private well owners and the screening criteria to be used in evaluating applications received, as well as the timeline for decision-making on appointees.

II. The Board shall use a variety of print media, electronic and other formal and informal communication mechanisms in this notification, and the period of notification will cover, at a minimum, 10 working days.

III. A standardized application will be required as part of each applicant's submittal.

IV. Applications submitted by hand delivery, mail or electronically must be received in the Agency's principal office (the Soquel Creek Water District) by the close of the filing period.

2.2.4 Screening and Interviews. A subcommittee of the Board, with Member Agency staff participation as appropriate, shall screen applications using the set of screening criteria included in the notification described in 2.2.1. The subcommittee shall hold interviews with the top candidates from the screening process and develop recommendations for the full Board's consideration.

2.2.5 Nomination. The subcommittee of the Board involved with screening and interview of candidates shall nominate candidates for appointment to the Director positions representing private well owners.

2.2.6 Appointment. Appointment of Directors representing private well owners shall be made by a majority vote of the Member Agency Directors in compliance with Section 6.3.5 of the Agreement.

2.2.7 Term. The term of appointment shall be four (4) years, unless otherwise established by a majority vote of the Member Agency Directors, and such term shall continue until a successor is duly appointed by the Board. The term effective date shall be determined by resolution of the Board. At the expiration of the term of a PWO Director or Alternate, the Board may (i) elect to initiate the appointment procedure for a PWO Director or Alternate under section 2.2 of the Bylaws; or (ii) appoint a PWO Director or Alternate in a different manner, subject to Board approval by a majority vote of the Member Agency Directors participating in voting. For the purpose of establishing staggered terms, one of the initially-appointed PWO Directors and the Alternate Director will serve an initial term of two years. The three PWO Directors may determine by unanimous decision which Director will serve the initial term of two years; if they are unable to reach a unanimous decision, then as observed by the Board Chair or Vice Chair they shall devise a random selection process through which a PWO Director will be chosen to serve the initial two-year term.

ARTICLE 3. BOARD MEETINGS

3.1 MEETINGS. The Board's regular meeting schedule shall be developed and adopted by the Board at its final regularly scheduled meeting of each calendar year or earlier if desired. Special

meetings of the Board may be called by the Chair or a majority of the Board in compliance with Government Code Section 54956. Board meetings shall be conducted in compliance with Article 8 of the Agreement, all applicable laws, and as further specified herein.

3.2 QUORUM. In determining a quorum as defined by Section 9.1 of the Agreement, Alternate Directors attending meetings shall not be counted as part of any meeting quorum unless such Alternate Director is formally representing an absent appointed Director.

3.3 ORDER OF BUSINESS. In general, at the regular meetings of the Board, the following will be the order of business:

3.3.1 Call to Order.

3.3.2 Roll Call.

3.3.3 Oral Communications Related to Items Not on the Agenda.

3.3.4 Approval of Minutes of the previous meeting.

3.3.5 Agenda Items, including any appropriate combination of consent items, regular business items, informational items, or public hearing items.

3.3.6 Oral Updates from Directors and Staff.

3.3.7 Adjournment.

3.4 ACTION BY THE BOARD. Action by the Board on all resolutions or ordinances shall be taken using a roll-call vote and shall be recorded in writing, signed by the Chair, and attested to by the Secretary. All other actions of the Board shall be by motion recorded in written minutes. The Chair shall announce the results of the vote including the names of the Directors, if any, voting in the minority.

3.5 RULE OF ORDER. All rules of order not otherwise provided for in these Bylaws shall be determined, to the extent practicable, in accordance with "Rosenberg's Rules of Order" (Attached as Appendix A); provided, however, that no action of the Board shall be invalidated or its legality otherwise affected by the failure or omission to observe or follow Rosenberg's Rules of Order.

ARTICLE 4. OFFICERS

4.1 OFFICERS. The Officers of the Agency are the Chair, Vice Chair, Secretary ("Elected Officers") and the appointed Treasurer (collectively, "Officers" or "Agency Officers"), as provided for in Article 7 of the Agreement. All Directors are eligible to serve as an Officer. The Chair, the Vice Chair, and the Secretary must be Directors. The Treasurer shall be appointed consistent with the provisions of Section 7.3 of the Agreement and will not be a Director.

4.2 ELECTION OF OFFICERS. At the first meeting of the Board of each fiscal year, nominations for the Elected Officers will be made by a Director. If more than two (2) Directors are nominated for any one office, voting occurs until a nominee receives a majority of the votes cast. Each Elected Officer shall serve a term of one (1) year and shall hold office until the meeting of the Board held at the expiration of such term or until a successor shall have been elected. An Elected Officer may succeed themselves and may serve any number of consecutive or non-consecutive terms.

4.3 REMOVAL OF ELECTED OFFICERS. An Elected Officer may be removed, with or without cause, by a majority vote of the Board at a regular meeting or a special meeting called in compliance with Section 3.1.

4.4 VACANCIES OF OFFICERS. Any vacancy in the offices because of death, resignation, removal, disqualification, or any other cause will be filled for the balance of the vacated term in the manner prescribed in these Bylaws for regular elections to that office; provided, however, that such vacancies are filled at any regular meeting or special meeting called in compliance with Section 3.1.

4.5 RESIGNATION OF OFFICERS. An Elected Officer may resign at any time by giving written notice to the Board Chair or Secretary. Any resignation takes effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in that notice, the acceptance of the resignation is not necessary to make it effective.

4.6 RESPONSIBILITIES OF ELECTED OFFICERS.

4.6.1 Chair of the Board. The Chair of the Board shall preside at meetings of the Board and exercise and perform such other powers and duties as may be assigned to them by the Board or prescribed by these Bylaws.

4.6.2 Vice Chair of the Board. The Vice Chair shall fulfill all the duties of the Chair in their absence and exercise and perform such other powers and duties as may be assigned to them by the Board.

4.6.3 Secretary. The Secretary shall perform, but not be limited to, the following duties:

- I. Book of Minutes. Keep or cause to be kept, at the principal office of the Agency or such other place as the Board may direct, a book of minutes of all meetings and actions of Directors and Committees of the Agency, with the time and place of holding the meeting, whether regular or special, and, if special, how authorized, the notice given, the names of those present and absent at such meetings and the proceedings of such meetings. Minutes will be in the form of action minutes and a meeting summary.
- II. Notices and Other Duties. Prepare, give, or cause to be given, notice of, and agendas for, all meetings of the Board and committees of the Agency.

- III. Exercise and perform such other powers and perform such other duties as may be assigned to him/her by the Board.

4.7 TREASURER. The Treasurer shall be the depository and have custody of all the money of the Agency from whatever source, and shall provide strict accountability of said funds in accordance with Government Code Sections 6505 and 6505.5. The Treasurer shall possess the powers of, and shall perform those functions required by Government Code Sections 6505, 6505.5, 6505.6 and all other applicable laws and regulations, including any subsequent amendments thereto.

4.7.1 Appointment. The Board shall appoint and may remove the Treasurer and the auditor by majority vote of the Board. At present, the Finance Manager of the Soquel Creek Water District holds the office of Treasurer and auditor of the Agency, as authorized by Section 6505.6 of the Government Code, and performs the duties as authorized in Section 6505 et seq. of the Government Code.

4.7.2 Treasurer's Duties. Particularly, the Treasurer shall perform, but not be limited to, the following duties:

- I. Books of Account. Keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of Agency, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account will be open to inspection by any Director at all reasonable times.
- II. Deposit and Disbursement of Money and Valuables. Consistent with the provisions of Article 13 of the Agreement, deposit all money and other valuables in the name and to the credit of the Agency within such depository accounts as may be designated by the Board; disburse the funds of the Agency as may be authorized or ordered by the Board; and render to the Board, whenever requested, an account of all of his/her transactions as Treasurer and of the financial condition of the Agency.
- III. Exercise and perform such other powers and perform such other duties as may be assigned to them by the Board.
- IV. Contract for an independent audit to be made by a certified public accountant, or public accountant, in compliance with and as required by Government Code Sections 6505.

ARTICLE 5. BOARD COMMITTEES, WORKING GROUPS, AND ADVISORY COMMITTEES

5.1 BOARD COMMITTEES. Pursuant to Article 12 of the Agreement, the Board may establish temporary or permanent Board Committees composed entirely of Board Directors to facilitate conduct of its work. No committee or participant on such committee shall have any authority to

act on behalf of the Agency except as duly authorized by the Board. Temporary Board Committees will have a specific charge and operational duration not to exceed six months and are not subject to the Brown Act unless they include more than six Directors as Committee members. Permanent Committees will be given a specific role and regardless of the number of Directors appointed shall be subject to compliance with the Brown Act. All Board Committees will provide regular updates to the full Board about their activities and the progress of their work.

5.2 WORKING GROUPS. Informal working groups may be formed from time to time to provide opportunities for a small subset of Directors to work with staff on specific planning, analytical, or community engagement activities. Such working groups will have a defined area as the focus for its work and may function for a duration of up to six months, and may include such membership as needed to accomplish the object for which the working group was created.

5.3 ADVISORY COMMITTEES. Pursuant to Article 12 of the Agreement, the Board may establish one or more advisory committees to assist in carrying out the purposes and objectives of the Agency.

5.3.1 In establishing an Advisory Committee, the Board shall provide specific direction to the Committee as to its charge, expected duration for completion of its charge, and a summary of the resources, including staff or consultant support available to the Committee in performing its work.

5.3.2 Advisory committee membership and appointments shall be at the Board's discretion based on the membership needed to meet the purpose for which the Advisory Committee was created.

5.3.3 Any advisory committee shall exercise such powers as may be delegated to it, except that no committee may:

- i. Take any final action on matters which, under the Agreement, require approval by a majority vote of the Board;
- ii. Amend or repeal the Bylaws or adopt new Bylaws;
- iii. Amend or repeal any resolution of the Board; or
- iv. Appoint any other committees of the Board or the members of these committees.

5.3.4 Advisory committees shall meet at the call of their respective Board Director(s) serving as the committee chair(s). All advisory committee meetings shall be conducted in accordance with the Ralph M. Brown Act (California Government Code sections 54950 et seq.). Minutes of committee meetings shall be documented and upon approval shall be distributed to the Board.

ARTICLE 6. AGENCY ADMINISTRATION, MANAGEMENT AND STAFFING

6.1 COLLABORATIVE MANAGEMENT. Except for the Agency's Treasurer function, Agency administration and management will be conducted using a collaborative staffing model in which the professional and technical staff of the Member Agencies work together to provide staff leadership, management and administration of the Agency.

6.1.1 Staffing Support for Agency Officers and Board Members. Each Member Agency shall delegate a senior level executive staff member to the Agency's Executive Team (referred to as the "Executive Team" or "Executive Staff"). While at the discretion of each Member Agency, senior level executive staff is intended to include staff positions such as: General Manager, District Manager, Water Director, Deputy Water Director, Division Director, Program Manager or other senior level management positions. Executive Staff will work together to provide staff support for the Agency Officers and Directors. Board agenda and meeting materials will generally be prepared by or reviewed by one or more members of the Executive Staff prior to being finalized. Should Executive Staff not be in agreement on any topic, the Chair and Vice Chair will be consulted to provide the necessary direction. Any issue not resolvable by Executive Staff and the Chair and Vice Chair will be referred to the full Board for decision.

6.1.2 Staffing Support for Implementation of the Agency Work Plan as Aligned with the Annual or Multi-year Budget. Both senior level Executive Staff from the Member Agencies and other professional and technical staff from the Member Agencies will be involved in providing staff support for the Agency. Staffing support includes In-Kind Contributions and Reimbursable Contribution of Staff as presented below.

6.1.2.1 In-Kind Contribution of Staff. Unless otherwise specified in the Agreement or these Bylaws, Member Agency staff contributions will be in the form of "in-kind" contributions. The Agency will not budget for or reimburse Member Agencies for the work contributed by their staff to the administration, management, or operation of the Agency. This work is different from staff implementing or supporting the implementation of Agency programs and projects as described in Section 6.1.2.2 (Reimbursable Contribution).

6.1.2.2 Reimbursable Contribution of Staff. If an MGA activity requires a substantial and disproportionate amount of involvement of Member Agency staff in implementing or supporting the implementation of Agency programs and projects that support the MGA as a whole such that the Executive Staff is in unanimous agreement that the In-Kind Contribution of Staff (Section 6.1.2.1) is not applicable or equitable, then the Member Agency may be compensated via reimbursement commensurate with the work performed. Consideration of a reimbursable contribution should typically occur as part of the Agency's annual budget development and approval process. If it does not occur during the annual

process, any reimbursable compensation to a Member Agency requires approval by a majority of the Member Agency Directors. Compensation is to be via reimbursement in arrears for the work performed and invoiced to the MGA by the Member Agency.

6.1.2.3 Reimbursable Contribution of Treasurer and Finance Staff. The Agency will reimburse the Member Agency of the appointed Treasurer and auditor for their services and related services of finance staff in support of the Agency. Reimbursement will include necessary staff time for these roles as well as the purchase and maintenance of any necessary materials and/or equipment required by the Treasurer in order to complete the work.

6.1.4 Administrative Support Staff. The Executive Staff will recommend to the Board an approach to acquire and maintain administrative staff support to perform the administrative tasks necessary for the business and operations of the Agency.

ARTICLE 7. FINANCES

7.1 DEPOSIT AND DISBURSEMENT OF FUNDS. All funds of the Agency shall be deposited in one or more depository accounts as may be designated by the Board. Such accounts shall be independent of any account owned by or exclusively controlled by any of the Member Agencies. No disbursements of such funds shall be made unless the same shall have been approved in the annual operating budget, or otherwise specifically authorized or approved by the Board. All disbursements shall be by check. Disbursements of not more than five thousand dollars (\$5,000) may be issued pursuant to the Treasurer's sole signature. Disbursements in excess of five thousand dollars (\$5,000) may only be issued upon the signature of the Treasurer, and one of the following; the Chair, the Vice Chair or any of the Member Agency Executive Staff. The Treasurer may establish and implement a protocol allowing for electronic signatures by the approved signatories to facilitate efficient operation of the Agency.

7.2 BUDGET. The Agency shall operate pursuant to an operating budget to be adopted prior to the beginning of each new fiscal year. The Agency shall endeavor to operate each year pursuant to an annually balanced budget so that projected annual expenses do not exceed projected annual revenues. Budget adjustments to the annual budget shall be reviewed and acted upon by the Board at a regularly scheduled Board meeting or at other times if circumstances require more immediate action.

ARTICLE 8. DEBTS AND LIABILITIES

8.1 DEBTS, LIABILITIES AND OBLIGATIONS OF THE AGENCY. The debts, liabilities and obligations of the Agency are not and will not be the debts, liabilities or obligations of any or all of the Member Agencies. However, nothing in this Article or in the Agreement prevents, or impairs the ability of, a Member Agency or Member Agencies, from agreeing, in a separate agreement, to

be jointly and/or severally liable, in whole or in part, for any debt, obligation or liability of the Agency, including but not limited to, any bond or other debt instrument issued by the Agency.

ARTICLE 9. RECORDS RETENTION

9.1 MAINTENANCE OF THE AGENCY RECORDS. The Agency will keep:

9.1.1 Adequate and correct books and records of account; and of the Board.

9.1.2 Minutes in written form of the proceedings of its Board, and committees, and advisory committees, if any.

9.1.3 All such records will be kept at the Agency's principal office.

9.2 RECORDS RETENTION POLICY AND SCHEDULE. On May 18, 2017, the Board adopted a Records Retention Policy and Schedule that specifies the retention period of different categories of materials. Implementation of this Policy will be the responsibility of Agency staff.

9.3 INSPECTION RIGHTS.

9.3.1 Any Member Agency may inspect the accounting books and records and minutes of the proceedings of the Board and committees of the Board, at any reasonable time, for a purpose reasonably related to such person's interest.

9.3.2 Any inspection and copying under this Section may be made in person or by an agent or attorney or the entity entitled thereto and the right of inspection includes the right to copy.

9.4 MAINTENANCE AND INSPECTION OF AGREEMENT AND BYLAWS. The Agency will keep at its principal office the original or copy of the Agreement and these Bylaws as amended to date, which will be open to inspection by the Agency or any Member Agency at all reasonable times during office hours.

9.5 INSPECTION BY DIRECTORS. Every Director has the absolute right at any reasonable time to inspect all non-confidential books, records, and documents of every kind for a purpose related to the Agency's business and the physical properties of the Agency. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents. There shall be no right to review records if the disclosure would violate the privacy rights of others, would result in or be in furtherance of a conflict of interest, or would be inconsistent with information protected by the attorney-client privilege, attorney work product, or privileged information under the Public Records Act.

ARTICLE 10. CONFLICTS OF INTEREST AND ETHICS

10.1 CONFLICT OF INTEREST. The Agency shall be subject to the conflict of interest rules set forth in the Political Reform Act (commencing with Section 81000 of the Government Code of

the State of California) and Sections 1090 et seq. of the Government Code of the State of California. The Agency adopted a Conflict of Interest Code as required under the implementing regulations of the Political Reform Act and reviews the Conflict of Interest Code as required by law.

10.2 ETHICS. Each Director is subject to compliance with the ethics requirements of the California Fair Political Practices Commission (FPPC) for elected and appointed local officials. A status report on Board FPPC compliance shall be submitted annually to the Board. Each Member Agency Director is governed by the ethics policy of the Member Agency it represents. Directors representing private well owners are governed by the Ethics Policy of the Parent Agency.

ARTICLE 11. AMENDMENT

These Bylaws may be amended from time to time by resolution of the Board, duly adopted by a majority of the Board at a regular or special meeting of the Board; provided, however, that no such amendment shall be adopted unless at least thirty (30) days written notice thereof has previously been given to all members of the Board. Such notice shall identify the Article to be amended, the proposed amendment, and the reason for the proposed amendment.

ARTICLE 12. DEFINITIONS AND CONSTRUCTION

Unless the context or reference to the Agreement requires otherwise, the general provisions, rules of construction, and definitions in the California Civil Code will govern the construction of these Bylaws.



Groundwater is a vital resource, together let's protect it.

midcountygroundwater.org • 5180 Soquel Drive • Soquel, CA 95073

RESOLUTION NO. 21-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY TO AMEND THE AGENCY BYLAWS

WHEREAS, Article 11 of the Santa Cruz Mid-County Groundwater Agency's Bylaws requires at least thirty (30) days written notice to all members of the Board of Directors (Board) prior to any amendment of the Bylaws; and

WHEREAS, notice of amendment of the Bylaws was sent to all Board Directors and Alternate Directors on August 3, 2021; and

WHEREAS, Article 11 of the Bylaws requires that any amendment to the Bylaws be made by Resolution of the Board;

NOW, THEREFORE, the Santa Cruz Mid-County Groundwater Agency hereby resolves, consistent with Article 11 of the Bylaws, to amend the Bylaws and approve the First Amended Bylaws.

Passed and adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on September 9, 2021.

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Authorized Original Signature: _____

Printed Name: Dr. Tom LaHue

Title: Board Chair

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on September 9, 2021.

Original Signature: _____

Printed Name: Mr. Jim Kerr

Title: Board Secretary

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2

Title: Annual Election of Officers by the Board of Directors

The election of Officers of the Santa Cruz Mid-County Groundwater Agency Board of Directors is governed by Section 4.2 of the First Amended Bylaws (Bylaws). Directors may make nominations for each of the elected offices (Chair, Vice Chair and Secretary). If more than two Directors are nominated for any one office, voting occurs until a nominee receives a majority of the votes cast.

The Bylaws provide that Board Officers may succeed themselves and serve any number of consecutive or non-consecutive terms.

The change of Board Officers will be effective after consideration of this item at the September 9, 2021 Board meeting.

Recommended Board Action:

1. Nominate and, if necessary, call for a vote for the Chair, Vice Chair, and Secretary of the Board of Directors of the Santa Cruz Mid-County Groundwater Agency.



By

Tim Carson
Program Director
Regional Water Management Foundation

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.3

Title: Consider Appointment, Effective Date, and Term of Appointment For the Private Well Owner Directors

Attachments:

1. Draft Board Resolution 21-02

Background

The Santa Cruz Mid-County Groundwater Agency's (MGA) Board of Directors (Board) includes three directors and one alternate director that represent the interests of the private well owners in the Mid-County groundwater Basin (Basin). The MGA's Joint Powers Agreement (JPA) (Section 6.3) authorizes the Member Agency Directors to appoint the Private Well Owner (PWO) Directors and the First Amended Bylaws (2021) (Bylaws) set forth the procedures for nominating the PWO Directors and establishing their terms.

The current PWO Directors and the Alternate Director were appointed by the MGA Board at its meeting in May 19, 2016. The appointment followed a public solicitation and selection process in 2015 in which there were 25 applicants from which the top candidates were selected and nominated for the Board. The initial Bylaws (2016) did not establish terms (i.e., start and end dates) for the PWOs. The current Bylaws (2021) sets forth the term of appointment and related process as presented below. *(note, the numbering in subsection 2.2.2 below has been renumbered to show the correct sequence, 2.2.1, 2.2.2, etc. prior number shown in strikeout).*

2.2.5 ~~2.2.7~~ Term. The term of appointment shall be four (4) years, unless otherwise established by a majority vote of the Member Agency Directors, and such term shall continue until a successor is duly appointed by the Board. The term effective date shall be determined by resolution of the Board. At the expiration of the term of a PWO Director or Alternate, the Board may (i) elect to initiate the appointment procedure for a PWO Director or Alternate under section 2.2 of the Bylaws; or (ii) appoint a PWO Director or Alternate in an different manner, subject to Board approval by a majority vote of the Member Agency Directors participating in voting. For the purpose of establishing staggered terms, one of the initially-appointed PWO Directors and the Alternate Director will serve an initial term of two years. The three PWO Directors may determine by unanimous decision which Director will serve the initial term of

two years; if they are unable to reach a unanimous decision, then as observed by the Board Chair or Vice Chair they shall devise a random selection process through which a PWO Director will be chosen to serve the initial two-year term.

The Bylaws section 2.2 presents the procedure for the appointment of PWOs.

2.2 Procedure for Appointment of Directors Representing Private Well Owners.

2.2.1 Notification. The Board shall issue formal notification of the opportunity to apply for the appointment to the Board as Directors representing the interests of private well owners ("PWO").

I. The notification shall include a description of the work of the Agency, the desired characteristics and skills of Directors representing the interests of private well owners and the screening criteria to be used in evaluating applications received, as well as the timeline for decision-making on appointees.

II. The Board shall use a variety of print media, electronic and other formal and informal communication mechanisms in this notification, and the period of notification will cover, at a minimum, 10 working days.

III. A standardized application will be required as part of each applicant's submittal.

IV. Applications submitted by hand delivery, mail or electronically must be received in the Agency's principal office (the Soquel Creek Water District) by the close of the filing period.

2.2.2 ~~2.2.4~~ Screening and Interviews. A subcommittee of the Board, with Member Agency staff participation as appropriate, shall screen applications using the set of screening criteria included in the notification described in 2.2.1. The subcommittee shall hold interviews with the top candidates from the screening process and develop recommendations for the full Board's consideration.

2.2.3 ~~2.2.5~~ Nomination. The subcommittee of the Board involved with screening and interview of candidates shall nominate candidates for appointment to the Director positions representing private well owners.

2.2.4 ~~2.2.6~~ Appointment. Appointment of Directors representing private well owners shall be made by a majority vote of the Member Agency Directors in compliance with Section 6.3.5 of the Agreement.

Discussion

The Bylaws (Section 2.2) state that the term of a PWO Director continues until a successor is duly appointed by the Board, and that the term of appointment is to be four years unless otherwise established by a majority vote of the Member Agency Directors.

The Member Agency Directors have the option of initiating the appointment process for PWO Directors as set forth in the Bylaws, or establishing the terms for the current PWO Directors.

If the Member Agency Directors elect to establish the terms of the current PWO Directors, the Bylaws require that this be done by Board resolution. A draft Board resolution is attached.

The Board will need to make determinations on: 1) the preferred appointment approach (i.e., re-appointment of current PWO Directors or initiating the solicitation process described in the Bylaws Section 2.2); 2) as applicable, the term of appointments (i.e., 4 year or other) for the PWO Directors; 3) as applicable, approve the formation of a temporary subcommittee to conduct the PWO applicant screening, interviews, and nomination of candidates.

Possible Board Actions:

1a. BY MOTION, approve the reappointment of the current PWO Directors, and,

1b. BY MOTION, approve by resolution the effective dates and terms (duration) of appointment.

Or

2a. BY MOTION, approve initiating the PWO Director solicitation process consistent with the Bylaws (Section 2.2), and,

2b. BY MOTION, approve the formation of a subcommittee of the Board to conduct the solicitation process (i.e., notification, screening, nomination), and,

2c. By MOTION, approve the appointment of up to three Member Agency Directors and up to two PWO Directors (excluding applicants) to serve on the subcommittee.



By _____
Tim Carson
Program Director
Regional Water Management Foundation

On behalf of the MGA Executive Staff
Ron Duncan, General Manager, Soquel Creek Water District
Ralph Bracamonte, District Manager, Central Water District
Heidi Luckenbach, Interim Water Director, City of Santa Cruz
Sierra Ryan, Interim Water Resources Manager, County of Santa Cruz



Groundwater is a vital resource, together let's protect it.

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RESOLUTION NO. 21-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY TO ESTABLISH THE TERMS OF THE PRIVATE WELL OWNER DIRECTORS AND ALTERNATE DIRECTORS

WHEREAS, The Santa Cruz Mid-County Groundwater Agency’s (“MGA”) Board of Directors includes three directors and one alternate director who represent the interests of the private well owners in the Santa Cruz Mid-County Groundwater Basin; and

WHEREAS, Section 6.3 of the MGA’s Joint Powers Agreement authorizes Member Agency Directors to appoint Private Well Owner (“PWO”) Directors, and the First Amended Bylaws (2021) set forth the procedures for nominating the PWO Directors and establishing their terms;

NOW, THEREFORE, the Santa Cruz Mid-County Groundwater Agency hereby resolves, consistent with Article 2 of the First Amended Bylaws, to establish the terms of the Private Well Owner Directors and Alternate Director as follows:

Private Well Owner Director Seat	Initial Term Duration	Subsequent Terms Duration	Effective Date of Initial Term
Director 1	4 years	4 years	January 1, 2022
Director 2	4 years	4 years	January 1, 2022
Director 3	2 years	4 years	January 1, 2022
Alternate Director	2 years	4 years	January 1, 2022

Passed and adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on September 9, 2021.

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Authorized Original Signature: _____

Printed Name:

Title: Board Chair

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on September 9, 2021.

Original Signature: _____

Printed Name:

Title: Board Secretary

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.4
Title: Approve Formation of Temporary Board Committee for Initial Development of the Non-*De Minimis* Metering Program; Approve Metering Program Guidelines; and Provide Direction on Program Incentives

BACKGROUND

At the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors meeting on March 18, 2021, the Board approved the formation of a Temporary Metering Program Board Committee to assist with the completion of a Request For Proposals and selection of the consultant for the development of the Non-*De Minimis* Metering Program (Metering Program). The work of that committee resulted in the selection of Geosyntec Consulting to develop the Metering Program. The specific charge of that Temporary Committee was completed.

At its meeting on June 17, 2021, the Board approved a contract with Geosyntec Consulting to develop the Metering Program. Work is now proceeding. Based upon initial discussions with the Geosyntec, MGA Member Agency staff identified several items on which Board input and direction is desired to inform key considerations in the development of the Metering Program. Staff is recommending the formation of a Temporary Board Committee to advise on the Metering Program development. Staff also seeks Board confirmation on previously proposed guidelines for the Metering Program as well as direction from the Board regarding potential MGA funding to incentivize participation in the Metering Program. The incentives may be in the form of rebates or offered in some other manner.

DISCUSSION

Initial work with Geosyntec includes discussing approaches and considerations to develop an effective Metering Program. This will include: establishing the Metering Program goals; the approach to community outreach and site visits with property owners and managers; evaluation criteria; implementation considerations; and related discussions to provide direction to Geosyntec and its local community outreach sub-consultant, Remediation Risk Management, Inc. (RRM).

Staff sees benefits in the participation of Board members, particularly the Private Well Owner (PWO) Directors, in this initial phase of work to help inform the approach and initial considerations. The PWO Directors bring the perspective of the parties

that will be subject to metering, and their engagement will support the successful development of the Metering Program.

Article 12 of the MGA Joint Powers Agreement (JPA) provides that the Board may establish an ad hoc committee to assist in carrying out the work of the MGA. Article 13 of the JPA requires that each committee have a Board director as chair, and that other committee members be approved by the Board. Section 5.1 of the MGA Bylaws permits the establishment of temporary Board committees composed entirely of Board members to facilitate the conduct of its work. Temporary Board committees require a specific charge, are not to exceed six months, and are not subject to the Brown Act unless they include more than six Directors as committee members. Board committees are to provide regular updates to the full Board on their activities and the progress of their work.

The duration of this committee is approximately 4 to 6 months. The charge of this committee is to:

1. Participate in meetings with MGA Member Agency staff and the consultant team and review related materials to provide input on the development of the Metering Program. This will include providing input including, but not limited to, the following:
 - a. Goals of the Metering Program
 - b. Community outreach approach and considerations
 - c. Approach for implementation of the Metering Program
 - d. Metering Program criteria

During the initial development of the Metering Program, staff recommends that the Temporary Board Committee include, up to three Private Well Owner Directors, and up to two Member Agency Directors. The committee will be staffed by the MGA Executive Team Representative from the County of Santa Cruz. Staff is ready to proceed on this work and, if feasible, recommends the Board act at this meeting to appoint volunteer Directors interested in serving on the temporary committee. The temporary board committee will report back to the Board at future Board meetings.

Metering Program Guidelines

The Groundwater Sustainability Plan (GSP) states that the MGA will initiate a well metering program that will inform the assessment and refinement of the sustainable yield of the Basin. As proposed, the Metering Program will apply 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 in priority areas that may impact seawater intrusion or stream flow.

As the Metering Program development gets underway, staff is seeking Board confirmation on the two categories of users and the proposed criteria for defining priority zones. The proposed boundaries of these priority zones the areas along the coast where groundwater is less than 50 feet above sea level and areas within 1000 feet of a water body. The two categories and criteria are based upon recommendations by the County of Santa Cruz and Montgomery & Associates to be protective of priority resources.

Funding to Incentivize Participation

To inform the development of the Metering Program, staff is seeking Board direction regarding the potential use of MGA funded incentives to reduce the cost to the impacted non-de minimis well owners to participate in the Metering Program. For example, a potential approach could be an MGA funded program to partially offset the cost to purchase and/or install an approved meter. It is still to be determined how a potential cost incentives program would be structured and implemented and the costs of the program have not yet been evaluated. Before proceeding further, staff is seeking Board input and support for considering a MGA funded program.

If an incentive program were implemented, it is anticipated it would not take effect until the next Fiscal Year 2022 – 23 and would be included in the MGA's annual budget. The budget for the current fiscal year does not include funds for this purpose. Staff is seeking direction from the Board regarding whether the potential to offer rebates or some manner of incentivize to encourage participation in the Metering Program warrants further investigation.

Recommended Board Action:

1. BY MOTION, approve the formation of a Temporary Board Committee authorized for the purpose of initial development of the Metering Program to include, but not limited to, up to three Private Well Owner Directors and up to two Member Agency Directors; and,
2. By MOTION, approve the appointment of up to three Private Well Owner Directors and up to two Member Agency Directors; and,
3. By MOTION, approve the proposed Metering Program guidelines applicability to:

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 in priority areas that may impact seawater intrusion or stream flow. The proposed boundaries of these priority zones include the areas along the coast where groundwater is less than 50 feet above sea level and areas within 1000 feet of a water body.
4. By MOTION, provide direction to staff regarding further consideration and development of a rebate or related cost-incentives program for participation in the Metering Program.



By

Sierra Ryan
Interim Water Resources Manager
County of Santa Cruz

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 6.2

Title: Treasurer's Report

Attachment:

1. Treasurer's Report for the Period Ending June 30, 2021
2. Treasurer's Report for the Period Ending August 31, 2021

Attached is the Treasurer's Report for June 2021, which ends the 2020-21 fiscal year, and a second Treasurer's Report for July and August 2021, the start of the 2021-22 fiscal year. These reports contain three sections:

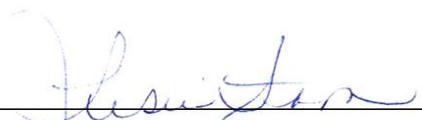
- Statement of Changes in Revenues, Expenses and Net Position
 - This interim financial statement provides information on the revenue that has been invoiced to the member agencies and the expenses that have been recorded as of the period ending date.
- Statement of Net Position
 - This interim financial statement details the cash balance at Wells Fargo Bank, the membership revenue still owed through accounts receivable, prepaid expenses such as insurance, and the resulting net income as reported on the Statement of Changes in Revenues, Expenses and Net Position from the preceding page.
- 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:

1. Informational, no action necessary.

By



Leslie Strohm

Treasurer

Santa Cruz Mid-County Groundwater Agency

Treasurer's Report

Santa Cruz Mid-County Groundwater Agency
For the period ended June 30, 2021



Prepared by
Leslie Strohm, Treasurer

Prepared on
September 2, 2021

Statement of Revenues, Expenses and Changes in Net Position

June 2021

	Total
INCOME	
Total Income	
GROSS PROFIT	0.00
EXPENSES	
5100 Groundwater Management Services	3,677.50
5110 Grndwtr Mgmt - Groundwater Monitoring	59,184.38
5210 Rain & Stream Gage Services	4,828.65
5300 Administrative Personnel Services	35,630.61
5315 Office Services	91.00
5340 Computer Services	70.00
5415 Outreach Services	20.99
5515 Audit & Accounting Services	500.00
5520 Legal Services	1,875.00
Total Expenses	105,878.13
NET OPERATING INCOME	-105,878.13
OTHER INCOME	
4400 Grant Revenue	64,076.99
Total Other Income	64,076.99
NET OTHER INCOME	64,076.99
NET INCOME	\$ -41,801.14

Statement of Net Position

As of June 30, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1100 Wells Fargo Business Checking	1,740,890.09
Total Bank Accounts	1,740,890.09
Accounts Receivable	
1220 Accounts Receivable - Grants	64,076.99
Total Accounts Receivable	64,076.99
Other Current Assets	
1400 Prepaid Expenses	1,678.75
Total Other Current Assets	1,678.75
Total Current Assets	1,806,645.83
TOTAL ASSETS	\$1,806,645.83
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	105,696.14
Total Accounts Payable	105,696.14
Total Current Liabilities	105,696.14
Total Liabilities	105,696.14
Equity	
3100 Retained Earnings	1,967,046.05
Net Income	-266,096.36
Total Equity	1,700,949.69
TOTAL LIABILITIES AND EQUITY	\$1,806,645.83

Warrants

June 2021

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Bill Payment (Check)						
06/24/2021	Bill Payment (Check)	10238	County of Santa Cruz Health Services Agency	Stream gages and monitoring wells	R	-2,327.50
						-2,327.50
06/24/2021	Bill Payment (Check)	10239	Errol L Montgomery & Associates Inc	GSP Planning, Reporting and Technical Services	R	-3,627.00
						-3,627.00
06/24/2021	Bill Payment (Check)	10240	Soquel Creek Water District (2)	Quickbooks, Mailchimp and GoToMeeting	R	-109.99
						-109.99
06/10/2021	Bill Payment (Check)	10233	County of Santa Cruz (County Counsel)	Legal Counsel for FY2020-21	R	-1,625.00
						-1,625.00
06/10/2021	Bill Payment (Check)	10234	Errol L Montgomery & Associates Inc	GSP Planning, Reporting and Technical services	R	-3,350.00
						-3,350.00
06/10/2021	Bill Payment (Check)	10235	Regional Water Management Foundation	Agency administration and GSP support	R	-43,806.71
						-43,806.71

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
06/10/2021	Bill Payment (Check)	10236 Soquel Creek Water District (2)	Quickbooks, Mailchimp, GoToMeeting, and Network Solutions domain registration	R	-185.96
					-185.96
06/10/2021	Bill Payment (Check)	10237 Trout Unlimited Inc	Stream monitoring	R	-5,355.88
					-5,355.88
Expense					
06/07/2021	Expense	US003Fvc7D Google - Online Payments	G Suite Subscription	R	-72.00
			Google Payment - G Suit		72.00

Treasurer's Report

Santa Cruz Mid-County Groundwater Agency
For the period ended August 31, 2021



Prepared by
Leslie Strohm, Treasurer

Prepared on
September 2, 2021

Statement of Revenues, Expenses and Changes in Net Position

July - August, 2021

	Total
INCOME	
4100 Membership Revenue	300,000.00
Total Income	300,000.00
GROSS PROFIT	300,000.00
EXPENSES	
5100 Groundwater Management Services	940.00
5315 Office Services	302.00
5340 Computer Services	140.00
5415 Outreach Services	41.98
Total Expenses	1,423.98
NET OPERATING INCOME	298,576.02
NET INCOME	\$298,576.02

Statement of Net Position

As of August 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1100 Wells Fargo Business Checking	1,967,974.09
Total Bank Accounts	1,967,974.09
Accounts Receivable	
1200 Accounts Receivable - Membership Revenue	30,000.00
1220 Accounts Receivable - Grants	61,982.24
Total Accounts Receivable	91,982.24
Other Current Assets	
1400 Prepaid Expenses	1,678.75
Total Other Current Assets	1,678.75
Total Current Assets	2,061,635.08
TOTAL ASSETS	\$2,061,635.08
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	62,109.37
Total Accounts Payable	62,109.37
Total Current Liabilities	62,109.37
Total Liabilities	62,109.37
Equity	
3100 Retained Earnings	1,700,949.69
Net Income	298,576.02
Total Equity	1,999,525.71
TOTAL LIABILITIES AND EQUITY	\$2,061,635.08

Warrants

July - August, 2021

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Bill Payment (Check)						
08/12/2021	Bill Payment (Check)	10241	Errol L Montgomery & Associates Inc	GSP Planning, Reporting and Technical Services	R	-3,677.50
						-3,677.50
08/12/2021	Bill Payment (Check)	10242	Regional Water Management Foundation	Administration and GSP support	R	-31,906.06
						-31,906.06
08/12/2021	Bill Payment (Check)	10243	Soquel Creek Water District (2)	Audit services, Quickbooks, Mailchimp, DocuSign, District labor for FY2020-21, GoToMeeting	R	-4,454.54
						-4,454.54
08/12/2021	Bill Payment (Check)	10244	Trout Unlimited Inc	Stream monitoring		-4,828.65
						-4,828.65
Expense						
08/05/2021	Expense	US003Hetj8	Google - Online Payments	G Suite Subscription	R	-72.00
				Google Payment - G Suit		72.00

Date	Transaction Type	Num Name	Memo/Description	Clr	Amount
07/06/2021	Expense	US003Gwwsw2 Google - Online Payments	G Suite Subscription	R	-72.00
			Google Payment - G Suit		72.00

September 9, 2021

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 6.3

Title: Report on Contract Change Order for the Regional Water Management Foundation (RWMF)

At the June 17, 2020 meeting of the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors, staff advised the Board that for Fiscal Year (FY) 2020/21, administrative services costs were higher than initially projected. The Board approved an increase in the administrative budget of \$15,000 for FY 2020/21 and FY 2021/22.

The Executive Team subsequently approved a Contract Change Order (CCO) in the amount of \$20,400 to increase RWMF's FY 2020/21 contract amount from \$129,600 to \$150,000. The budget increase is for administrative services (within the Administrative budget category) and planning/program support (within the Management & Coordination budget category).

The CCO meets the conditions set out in the MGA's Procurement Policy:

1. **Procurements of up to \$50,000 must be approved by a member of the Executive Staff.** The proposed amount (\$20,400) is within the authorized threshold of the Executive Staff.
2. **The total of all CCO's do not exceed the amount approved in the annual budget unless approved by the Board.** The CCO does not exceed the amount approved in the annual budget and or exceed the respective budget line amounts in the Administrative or Management & Coordination budget categories. The FY 2020/21 budget approved by the Board at its meeting on June 17 included \$160,000 for Administration, which includes the RWMF and other non-RWMF admin costs; the budget approved on June 17 increased the Administrative budget from \$145,000 to \$160,000. The FY 2020/21 Management & Coordination budget for Planning/Program Support (RWMF, Member Agency staff) was \$40,000, the total amount expended was approximately \$15,000.
3. **The CCO is within the authorized scope of work for the contract.** The proposed work is within the authorized Scope of Work. The additional budget is for administrative support including but not limited to the preparation of the MGA's governing documents (JPA, Bylaws) and Board support and

coordination tasks and well as planning/program support for GSP implementation supporting activities.

When a CCO has been approved by the Executive Team, it is to advise the Board at the next Board meeting.

Informational only, no action necessary.



By _____

Ron Duncan
General Manager, Soquel Creek Water District

On behalf of the MGA Executive Staff

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