



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

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

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
Board of Directors Remote-Access Meeting
Thursday, September 15, 2022 at 6:00 PM

Meeting held remotely in compliance with Assembly Bill 361

To join by video:

<https://us06web.zoom.us/j/81581626359?pwd=cFF1aE5vNld6SXR2bWxyemZ0Lys1UT09>

To join by phone: 253-215-8782

Meeting ID: 815 8162 6359

Passcode: 114189

Find your local number: <https://us06web.zoom.us/j/81581626359?pwd=cFF1aE5vNld6SXR2bWxyemZ0Lys1UT09>

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 Minutes of August 18, 2022 Special Board Meeting
 - 4.2 Biennial Review of Conflict of Interest Code
 - 4.3 Approve Memorandum of Understanding with Santa Cruz Public Libraries
 - 4.4 Consider Board Resolution No. 22-04 to Authorize Remote Meeting
5. **General Business** (Page 29)
 - 5.1 Conduct Annual Election of Officers
 - 5.2 Approve Local Project Sponsor Agreements under Sustainable Groundwater Management Implementation Grant
 - 5.3 Provide Guidance and Authorize Policy Framework to Respond to Well Permit Applications Under Executive Order N-7-22
 - 5.4 Provide Guidance on Draft Metering Plan
 - 5.5 Demonstration of the Data Management System (no memo)

6. Informational Updates (Page 148)

6.1 Treasurer's Report

6.2 Staff Reports

7. Future Agenda Items

8. Written Communications and Submitted Materials

9. Adjournment

Next Board Meeting: December 15, 2022



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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.



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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (MGA)

Board of Directors Remote-Access Special Meeting Thursday, August 18, 2022

DRAFT MINUTES

1. Call to Order

The meeting was called to order at 6:00 p.m. by Chair LaHue.

2. Roll Call

Directors present: Curt Abramson, David Baskin, Jim Kerr, Tom LaHue, and Marco Romanini. Alternate Directors present: John Benich, Doug Engfer, and Allyson Violante.

Directors absent: Zach Friend, Bruce Jaffe, Manu Koenig, Donna Meyers, and Rob Marani.

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

Others present: Amanda Peisch-Derby (DWR representative) and a member of the public.

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.

None.

4. Consent Agenda

4.1 Approve Minutes of August 18, 2022 Special Board Meeting (no memo)

MOTION: Director Baskin; Second, Director Romanini. To approve the consent agenda. Motion passed unanimously by roll call vote; Alternate Directors Benich and Engfer abstained.

5. General Business

5.1 Consider Board Resolution No. 22-03 to Authorize Remote Meeting

MOTION: Director Romanini; Second, Director Kerr. To adopt Resolution 22-03 authorizing the next Board meeting to be held virtually in accordance with Government Code § 54953(e). Motion passed unanimously by roll call vote.

5.2 Approve MGA Response to Santa Cruz Civil Grand Jury Report

Staff introduced the MGA response which incorporated comments from the MGA Board at its June meeting and was drafted in collaboration with the City of Santa Cruz, the Soquel Creek Water District, and the Santa Margarita Groundwater Agency. While agreeing with overall Grand Jury conclusions of a need for water supply projects in the Santa Cruz County Basin (Basin) and that conservation alone is not a solution, the MGA response took issue with several of the Grand Jury recommendations and findings. The response includes two sections, one required by the Board, and a second optional response by the Basin Point of Contact, which addressed three findings not included in the Board response. The Board motion included the optional response of the Basin Point of Contact.

MOTION: Director Baskin; Second, Director Engfer. To approve and authorize the staff to submit the Santa Cruz Mid-County Groundwater Agency response to the Santa Cruz Civil Grand Jury Report: *Our water Account is Overdrawn – Beyond Conservation: Achieving Drought Resilience*, on or before August 22, 2022.

5.3 Provide Guidance for Process to Respond to Well Permit Applications Under Governor's Executive Order N-7-22

Staff reported that Executive Order N-7-22 was issued in response to expanding drought conditions and under Paragraph 9, requires that before the County of Santa Cruz (County) can approve a well permit application, the appropriate Groundwater Sustainability Agency (GSA) must determine if the proposed well would be consistent or inconsistent with the Groundwater Sustainability Plan. The Order does not apply to wells that use less than 2-acre feet per year, or to wells that provide a public water supply. Pending legislation may make permanent a similar approach to GSA review of well permit applications.

The County has identified its process for implementing the requirements of Executive Order N-7-22. As the MGA develops its process, staff sought input from the Board for a proposed policy to come to the Board in September.

Board members raised issues including cost recovery, the status of state small water systems, analysis required by the MGA and the possible use of consultants, criteria for approvals handled at the staff level, consistency among the Santa Cruz County GSAs, the impact of MGA Board quarterly meetings, and concerns in the event of appeals.

Staff plans to consult with other GSAs and come back with a tentative policy in September.

No Board action taken.

6. Informational Updates

6.1 Oral Reports

Santa Margarita Groundwater will be hosting a public workshop on Managed Aquifer Recharge on September 7th. Invitations will be sent to MGA Board members and more information will be available on the MGA website.

Staff announced that an experienced Senior Planner has been hired and will begin working in mid-October.

7. Future Agenda Items

8. Written Communications and Submitted Materials

9. Adjournment

Chair LaHue adjourned the meeting at 6:53 PM.

Next Regularly Scheduled Board Meeting: September 15, 2022

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.2

Title: Biennial Review of Conflict of Interest Code

Attachments:

1. Conflict of Interest Code (2017)
2. 2022 Notice Local Agency Biennial Notice

Recommended Board Action: Review the Santa Cruz Mid-County Groundwater Agency (MGA) Conflict of Interest Code, authorize the Board Chair to sign the attached a 2022 Local Agency Biennial Notice indicating that that no amendment is required, and direct staff to return the Notice to the Santa Cruz County Clerk by October 3, 2022.

Background:

The Political Reform Act requires local agencies to review an adopted Conflict of Interest Code biennially, in even-numbered years, to ensure that the code includes disclosure by officials who make or participate in making government decisions.

The MGA Conflict of Interest Code, passed on March 17, 2017, is attached. MGA Staff is unaware of substantive changes that would require an amendment to the current MGA Conflict of Interest Code.

Recommended Board Action:

1. By MOTION, review the MGA Conflict of Interest Code, authorize the Board Chair to sign the attached 2022 Local Agency Biennial Notice indicating that that no amendment is required, and direct staff to return the Notice to the Santa Cruz County Clerk by October 3, 2022.

Submitted by Tim Carson

Program Director

Regional Water Management Foundation

**CONFLICT OF INTEREST CODE
OF THE
SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY**

The Political Reform Act of 1974 (Government Code sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, section 18730 of Title 2 of the California Code of Regulations, which contains the terms of a standard conflict of interest code that can be incorporated by reference in an agency's code. After public notice and hearing, the Fair Political Practices Commission may amend the standard code to conform to amendments of the Political Reform Act. Therefore, the terms of section 18730 of Title 2 of the California Code of Regulations and any amendments to it duly adopted by the Fair Political Practices Commission together with the attached Appendices designating positions and establishing disclosure categories are hereby incorporated by reference and together constitute the Conflict of Interest Code of the SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (hereafter "Agency").

Individuals holding designated positions shall file their statement of economic interests with the Clerk of the Elections Department of the County of Santa Cruz, which will make the statements available for public inspection and reproduction pursuant to Government Code section 81008.

Attachments:

- Appendix A: Designated Positions
- Appendix B: Disclosure Categories

Approved by Order of the Board of Directors

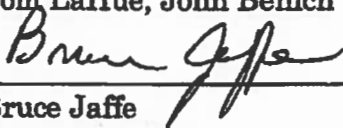
Ayes: Bruce Jaffe, Curt Abramson, Cynthia Mathews, David Baskin,
Jim Kerr, John Leopold, Jon Kennedy, Robert Marani, Zach Friend,
Ralph Bracamonte (for John Benich)

Noes: None

Abstain: None

Absent: Tom LaHue, John Benich

Adopted:



Bruce Jaffe
Board President

Attested:



Cynthia Mathews
Board Secretary

APPENDIX A: DESIGNATED POSITIONS

<u>Designated Positions</u>	<u>Assigned Disclosure Category</u>
Board of Directors (including alternates)	1
Executive Team:	1
City of Santa Cruz Water Director	
Soquel Creek Water District General Manager	
Central Water District General Manager	
County of Santa Cruz Water Resources Division Director	

APPENDIX B: DISCLOSURE CATEGORIES

Category 1

A designated position in this category must report all income (including gifts, loans, and travel payments), investments, business positions, and interests in real property located in or originating from sources doing business within the boundaries of the agency.

2022 Local Agency Biennial Notice

Name of Agency: Santa Cruz Mid-County Groundwater Agency

Mailing Address: c/o Emma Western, 5180 Soquel Drive, Soquel, CA 95073

Contact Person: Laura Partch Phone No. 831-662-2053

Email: admin@midcounty groundwater.org Alternate Email: lpartch@cfsc.org

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

☐ **An amendment is required. The following amendments are necessary:**

(*Check all that apply.*)

- ☐ Include new positions
- ☐ Revise disclosure categories
- ☐ Revise the titles of existing positions
- ☐ Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- ☐ Other (*describe*) _____

☐ **The code is currently under review by the code reviewing body.**

☒ **No amendment is required.** (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 3, 2022**, or by the date specified by your agency, if earlier, to:

Clerk of the Board of Supervisors
Attn: Melinda Benton
2800 W. Burrel Avenue
Visalia, CA 93291

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.3

Title: Approve Memorandum of Understanding with Santa Cruz Public Libraries

Attachments:

1. Memorandum of Understanding

Recommended Board Action: Authorize the Board Chair to execute the Memorandum of Understanding with Santa Cruz Public Libraries.

The new Capitola Library branch (Library) is a desirable facility for future MGA meetings since it is relatively centrally located in mid-county, offers a nice meeting space and facilities with current technology, and quiet setting for after-hours meetings.

The MGA, like other community groups, may utilize the Library for meetings during normal business hours. However, to use the Capitola library after hours for evening meetings, the MGA needs to become a Library Partner by executing the attached Memorandum of Understanding (MOU). The MOU was approved by MGA legal counsel, and the required certificates of coverage were issued by the MGA's insurance carrier, California JIPA.

After becoming a Library Partner, the MGA may then reserve the Community Room to host after-hours meetings.

Recommended Board Action:

1. BY MOTION, authorize the Board Chair to execute the Memorandum of Understanding with Santa Cruz Public Libraries.

Submitted by Tim Carson

Program Director

Regional Water Management Foundation

**Memorandum of Understanding between the
Santa Cruz City County Library System and
Santa Cruz Mid-County Groundwater Agency**

This Memorandum of Understanding "MOU" is made and entered into on [DATE] by the Santa Cruz Public Libraries, Library Joint Powers Authority hereinafter referred to as the "LIBRARY" and Santa Cruz Mid-County Groundwater Agency hereinafter referred to as "PARTNER". LIBRARY and PARTNER may be referred to individually as a "Party" or collectively, as the "Parties".

I. RECITALS

WHEREAS the LIBRARY, allows the use of the Ow Family Community Room at the Capitola Branch Library, 2005 Wharf Road, Capitola, CA 95010 ("Property"), by PARTNER.

WHEREAS, PARTNER agrees to follow the Santa Cruz County Library JPA Partner [Meeting Room Policy](#), attached hereto as Exhibit A.

II. AGREEMENT

NOW, THEREFORE the Parties incorporate the above Recitals herein and do mutually agree to the following terms regarding their respective responsibilities relating to the Property.

1. PARTIES' MUTUAL GOALS

- a) Provide Partner-led programming and services that satisfy community interests and/or needs. Specifically, support community civic engagement in our library branches
- b) Build a stronger and increasingly mutually beneficial relationship between Santa Cruz Public Libraries and the Santa Cruz Mid-County Groundwater Agency

2. LIBRARY OBLIGATIONS TO PARTNER:

- a) Access to indoor space: Ow Family Community Room at the Capitola Branch Library, 2005 Wharf Road, Capitola, CA. Dates and times may be agreed upon by both Parties during the term of this MOU depending on space availability. Partner organizations may reserve meeting rooms more than two months in advance and more than four times in one calendar year.
- b) Restroom access
- c) WiFi and the following tech: Access to display screen, HDMI cable
- d) Keys or access code
- e) On-site orientation
- f) List event on the library's Calendar of Events, based on materials provided by the Partner
- g) Program effectiveness evaluation based upon partnership goals
- h) Provide non-toxic cleaning supplies

3. PARTNER OBLIGATIONS TO LIBRARY:

- a) Provide a designated lead who will be onsite during events
- b) Proof of Liability Coverage

- c) Participation in on-site orientation
- d) Coordinate events and notify Library at least two weeks prior to the time of event
- e) Only use the specified space approved for use
- f) Only use space for time specified
- g) Lock and secure space upon exit
- h) Return keys or access code by the next day
- i) Pay for replacement key and lock rekeying if key is lost
- j) Advance notice of cancellation [no less than one day in advance, except for emergencies]
- k) All onsite events will be free & open to the public
- l) Any book or media sales will be handled by the Friends
- m) Public notification materials including a description and image or logo
- n) Feedback on program effectiveness and suggestions for improvements.
- o) Report number of programs and attendees
- p) Compliance with [SCPL meeting room policy](#) as a partner
- q) Compliance with SCPL currently health and safety requirements
- r) Compliance with [SCPL code of conduct](#)
- s) Follow emergency protocols; call 911 in case of emergency, call staff in case of incident
- t) Wipe down and clean surfaces using only non-toxic cleaning supplies provided by Library
- u) Leave space in the same clean and orderly condition as you found it

4. **USE OF FACILITIES**

- a) LIBRARY shall allow PARTNER and its authorized employees, members, and agents to enter upon the Property to access the Property for the purposes and upon the terms and conditions described herein. PARTNER agrees to coordinate with the LIBRARY and warrants that PARTNER's employees, members, agents, and others under its control or authority will follow LIBRARY policies and the terms and conditions of this MOU regarding access and use of the Property.
- b) PARTNER acknowledges it has no ownership or vested rights in any way related to the Property.

5. **INSURANCE**

- a) PARTNER agrees to maintain and carry at its own expense, the insurance listed below. All policies of insurance required for the use of the Property shall name the Santa Cruz Public Libraries, Library Joint Powers Authority, and its officials, officers, and employees and volunteers as additional insureds.

Insurance Requirements:

- i) **Commercial General Liability (CGL) insurance:** \$1,000,000 on an "occurrence" basis, including products-completed operations, personal & advertising injury. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- ii) **Additional Insured Status:** The Santa Cruz Public Libraries, Library Joint Powers Authority, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL

policy with respect to liability arising out of the use of the Property, by or on behalf of PARTNER including materials, parts or equipment furnished in connection with such use.

iii) **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. Workers' Compensation insurance must cover all of PARTNER's employees on the Property. The Workers' Compensation policy and shall be endorsed with a waiver of subrogation in favor of the LIBRARY for all use of the Property by PARTNER and its employees.

v) **Verification of Coverage** PARTNER shall furnish the LIBRARY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this section. All certificates and endorsements are to be received and approved by the LIBRARY before use of the Property. However, failure to obtain the required documents prior to the work beginning shall not waive PARTNER's obligation to provide them. The LIBRARY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

6. **INDEMNIFICATION/HOLD HARMLESS**

- a) PARTNER shall indemnify, defend, and hold harmless the Santa Cruz Public Libraries, Library Joint Powers Authority, the City of Santa Cruz, the City of Scotts Valley, the City of Capitola, and the County of Santa Cruz, its officials, officers, employees, and volunteers ("LIBRARY Parties"), from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims or demands for any injury, death or damage ("Claims") resulting from the acts or omissions of PARTNER, its members, employees, agents, or others acting on PARTNER's behalf, or are under PARTNER's authority or control in any way related to PARTNER's obligations under this MOU. This indemnity obligation, however, does not apply to Claims proximately caused by the sole negligence of willful misconduct of the LIBRARY Parties.

7. **BREACH**

Should PARTNER or those under its authority or control fail to follow the obligations of this MOU, the LIBRARY shall have the right to terminate this MOU and PARTNER shall no longer have access to the Property.

8. **TERMINATION**

This Agreement will remain in effect until June 30, 2023, or unless terminated sooner by either Party: 1) upon ninety (90) days advance written notice thereof to the other Party in the absence of any breach of the MOU, or 2) upon thirty (30) days advance written notice to the Party in breach of the terms of this MOU, or 3) cancelled immediately by written mutual consent.

9. **TERM**

This MOU shall remain valid and binding on the Parties until terminated. This MOU will be reviewed annually in June by the LIBRARY and PARTNER to determine if modifications need to be made. No alteration, modification or amendment of this MOU shall be effective or enforceable unless it is in writing and signed by the Parties.

10. **ENTIRE AGREEMENT**

This MOU contains the entire agreement of the Parties and each party acknowledges there were no other oral agreements, representations, warranties or statements of fact made prior to or at the time of the signing of this Agreement.

11. **SEVERABILITY**

If any term or provision of this MOU is declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

12. **INTERPRETATION**

This MOU is deemed to have been drafted jointly by the Parties. Any uncertainty or ambiguity shall not be construed for or against any party based upon attribution of drafting to any party.

13. **COUNTERPARTS**

This MOU may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each one shall be deemed an original and, when taken together with other signed counterparts, shall constitute one agreement, which shall be binding on and effective regarding all parties. Electronic, scanned, or other copy of the Parties' signatures shall have the same force and effect as original signatures.

By their signatures below, the parties herein acknowledge that they have read the terms of this MOU, understand the terms thereof and are fully agreed thereto, and are authorized to execute this MOU on their respective entity's behalf.

PARTNER

Santa Cruz City County Library System

By: _____
Tom LaHue
MGA Board Chair

By: _____
Yolande Wilburn
Director of the Library

Approved as to Form:

Legal Counsel for JPA

EXHIBIT A

Meeting Room Policy

JPAB Policy # 315
Approved: March 2020
Last Revised: May 2022
Five-year Review Schedule: May 2027

Why does the Library provide public access to community rooms?

The Santa Cruz Public Library's room policy seeks to support the Library's mission to "connect, inspire, inform" and to support its vision to "transform lives and strengthen communities." Public spaces make it possible for the public and Library Partners to meet community interests and needs and to build knowledge and understanding of one another as a community.

Priority for room reservations is given to library sponsored programs. If the Library has not reserved the room for itself, priority is then given to government agencies.

Terms of Use for Community Rooms

1. Reservations require a library card.
2. Rooms can be reserved by groups two months in advance of their event and up until one business day prior to their event. Rooms can't be reserved more than four times by one group in one calendar year. (The Library, including its sponsored programming, Friends of the Library and government agencies are exempt from this rule.)
3. Publicity material must also state that the Library neither approves nor disapproves of any viewpoint.
4. Groups may use rooms only for the hours booked in advance. All set-up and clean-up must be accomplished within the reserved time. Groups must return any space to the condition in which they found it unless staff requests otherwise.
5. All meetings must be open to the general public. (The Library and government agencies are exempt from this rule.)
6. All programs shall not discriminate against any individuals or groups of individuals because of race, religion, creed, color, national origin, sex, sexual orientation, gender identity, age, physical or mental disability, or citizenship. The arrangement of the room must also comply with ADA access.

7. All participants must abide by the [Library's Code of Conduct](#).
8. Library spaces are not intended for commercial use. No admission fee may be charged; no collections may be taken on the premises, no fund or business solicited or direct sales made except for sales by the Library or Friends of the Library or their agent. Some exceptions may apply and can be approved by the Library Director. For example, the Director would need to approve suggested donations by program organizers or author book sales, and in such cases the Library would require that 15% of the donations goes to the Friends of the Library in order to benefit the Library. However, donations for programs can't be a condition on for participation.
9. Signs, posters, displays and decorations may be put up with prior permission from the branch manager.
10. Libraries are fragrance-free facilities. No incense may be used and fire regulations prohibit the use of candles however exceptions for special events may be approved by the library director.
11. The Library reserves the right to cancel a reservation due to circumstances beyond its control. The Library will notify the group of the reservation cancellation as soon as possible.
12. . Library spaces are not intended for private parties, such as weddings, birthday parties or other types of private celebrations.
13. Failure to comply with these terms could disqualify the group or individual from reserving library space in the future.

Care and Use of the Community Room

- I. Alcoholic beverages may be served only with special permission; this is secured using procedures outlined in the [Alcohol Beverages Policy](#).
2. Users are responsible for cleaning up and for any damage to library property or the facility. Repair or cleaning costs may be assessed if damage occurs.
3. No food or other items may be left or stored in the meeting room or kitchen.
4. Trash and recyclables that do not fit into the provided receptacles must be removed by the user. The Library may assess charges for damage or cleaning.
5. The library assumes no responsibility for personal belongings.

Other Available Spaces:

Study Rooms: (Can accommodate up to four individuals)

1. Study room reservation requires a library card.
2. Rooms should be left neatly after use. Condition of the room may be noted on the Library card holder's account and could affect future reservations.
3. Study rooms are available on a same-day only basis.
4. Reservations are forfeited if the user isn't present within the first 15 minutes. Study rooms are available up to two hours and can be reserved immediately after that time for an additional hour if there is no other reservation on the room.
5. The Library reserves the right to block (reserve the room) times for its learning/program purposes or to support the work of a learning institution.

Conference Rooms: (Some conference rooms provide a capacity of up to eight and some up to twenty individuals.)

1. Conference room reservation requires a library card.
2. Rooms should be left neatly after use. Condition of the room may be noted on the Library card holder's account and could affect future reservation.
3. Conference rooms are available two months in advance of its use and can be reserved twelve times per year.
4. Reservations are forfeited if the user isn't present within the first 15 minutes.
5. Conference rooms are available up to two hours and can be reserved immediately after that time for an additional hour if there is no other reservation on the room.
6. Library spaces are not intended for commercial use. No admission fee may be charged; no collections may be taken on the premises, no fund or business solicited or direct sales made except for sales by the Library or Friends of the Library or their agent. Some exceptions may apply and can be approved by the Library Director. For example, the Director would need to approve suggested donations by program organizers or author book sales, and in such cases the Library would require that 15% of the donations go to the Friends of the Library in order to benefit the Library. However, donations for programs can't be a condition for participation.
7. There must be at least two people present in order to occupy the

conference room.

8. The Library reserves the right to block (reserve the room) times for its learning/program purposes or to support the work of a learning institution.

Reserving Community Rooms Outside of Regular Library Hours

Groups seeking to use Library space after the normal library hours of operation must first become a library partner. Library partners support the Library's strategic plan and program goals of the Library. We require that partners meet with Library staff and complete an MOU, Program Room Contract and participate in an on-site orientation. If you are interested in starting the process to become a library partner, please contact Library Administration at 831-427-7706 to get connected with the appropriate manager.



Addendum: Meeting Room Policy for Library Partners

Addendum to JPAB Policy # 315
Approved: 5/2022
Five-year Review Schedule: 5/2027

Reserving Community Rooms Outside of Regular Library Hours

Groups seeking to use Library space after the normal library hours of operation must first become a library partner. Library partners support the Library's strategic plan and program goals of the Library. We require that partners meet with Library staff and complete an MOU, Program Room Contract and participate in an on-site orientation. If you are interested in starting the process to become a library partner, please contact Library Administration at 831-427-7706 to get connected with the appropriate manager.

Who are Library Partners?

The Friends of Santa Cruz Public Libraries and its chapters, the City of Santa Cruz, the City of Scotts Valley, the City of Capitola, and The County of Santa Cruz are all considered partners of SCPL.

Genealogy Society are existing partners with an active MOU. Other partners may be added with MOU as approved by the Library Director.

Terms of Use for Community Rooms, when different for partners, all other Meeting Room policies apply

1. Active MOU on file.
2. Hold/Harmless and Insurance (types and limits could vary) on file.
3. For use during normal library hours of operations, rooms can be reserved up until one business day prior to the event. For after hours use, partners participate in an on-site orientation no less than one week in advance.
4. Reservations are dependent on room availability and must be made at least two weeks in advance of event date/s. Exceptions determined by the Library Director.

What spaces can partners use during normal open hours?

1. Community Rooms
2. Multipurpose Rooms
3. Conference Rooms
4. Study Rooms
5. Patios

What spaces can partners use after hours?

1. Community Rooms
2. Patios

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.4

Title: Consider Board Resolution No. 22-04 to Authorize Remote Meeting

Attachment(s):

1. Draft Santa Cruz Mid-County Groundwater Agency Board Resolution No. 22-04
2. County Health Officer Recommendation of Social Distancing and Remote Meetings for Legislative Bodies

Possible Board Actions:

1. Adopt Resolution No. 22-04 authorizing the next Board meeting to be held virtually in accordance with Government Code § 54953(e).
 2. Take no action and conduct an in-person meeting at the next Board meeting, whether regularly scheduled or a special meeting.
-

Background:

On December 16, 2021, the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors decided to act in substantial compliance with AB 361 by adopting, at each Board meeting, a resolution authorizing a virtual meeting at the following Board meeting, upon making the following findings:

1. The legislative body has reconsidered the circumstances of the state of emergency, and
2. Any of the following circumstances exist:
 - a. The state of emergency continues to directly impact the ability of the members to meet safely in person, or
 - b. State or local official continue to impose or recommend measures to promote social distancing.

Discussion:

Governor Newsom's Proclamation of State of Emergency in response to the COVID-19 pandemic issued March 4, 2020, remains in effect. Likewise, the September 30, 2021, Santa Cruz County (County) Health Officer's recommendation for social distancing and continued remote meetings for legislative bodies remains active.

Possible Board Actions:

1. By MOTION and roll call vote, adopt Resolution No. 22-04, authorizing the next meeting of the Board to be held virtually in accordance with Government Code § 54953(e).
2. Take no action and conduct an in-person meeting at the next Board meeting.

Submitted by Tim Carson

Program Director
Regional Water Management Foundation



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

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

DRAFT RESOLUTION NO. 22-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY ADOPTING FINDINGS PURSUANT TO ASSEMBLY BILL 361 TO AUTHORIZE TELECONFERENCE MEETINGS AS A RESULT OF THE CONTINUING COVID-19 PANDEMIC STATE OF EMERGENCY AND RECOMMENDATIONS FOR SOCIAL DISTANCING

WHEREAS, the Board of Directors of the Santa Cruz Mid-County Groundwater Agency (“MGA Board”) is committed to providing public access to its meetings as required by the Ralph M. Brown Act (“Brown Act”) (Cal. Gov. Code § 54950 *et seq.*); and

WHEREAS, the MGA Board is a legislative body under the Brown Act as defined under Government Code Section 54952(b); and

WHEREAS, on September 16, 2021, Governor Newsom signed Assembly Bill 361 (“AB 361”) as urgency legislation effective immediately that amended Government Code Section 54953 to permit legislative bodies subject to the Brown Act to continue to meet under modified teleconferencing rules provided they comply with specific requirements set forth in the statute; and

WHEREAS, pursuant to AB 361 and Government Code Section 54953(e)(1)(A), a legislative body may meet under the modified teleconferencing rules during a proclaimed state of emergency, and where local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic, which remains in effect; and

WHEREAS, on September 30, 2021, Santa Cruz County Public Health Officer Dr. Gail Newel strongly recommended that legislative bodies in Santa Cruz County continue to engage in physical/social distancing by meeting via teleconference as allowed by AB 361 and confirmed that she will regularly review and reconsider this recommendation and notify the public when it is no longer recommended; and

WHEREAS, pursuant to AB 361 and Government Code Section 54953(e)(3), a legislative body can continue to hold such teleconference meetings provided it has reconsidered the circumstances of the state of emergency and determined either that the state of emergency continues to directly impact the ability of the members to meet safely in person or that local officials continue to recommend measures to promote social distancing; and

WHEREAS, on December 16, 2021, the MGA Board held its initial teleconference meeting under AB 361; and

WHEREAS, the MGA Board has reconsidered the circumstances of the current state of emergency and finds that the COVID-19 pandemic continues to directly impact the ability of members of the public to participate safely in person and further finds that the Santa Cruz County Public Health Officer continues to recommend measures to promote social distancing; and

WHEREAS, in the interest of public health and safety, and due to the emergency caused by the spread of COVID-19, the MGA Board deems it necessary to utilize the modified teleconferencing rules set forth in AB 361;

NOW, THEREFORE, the Board of Directors of the Santa Cruz Mid-County Groundwater Agency resolves as follows:

Section 1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution by reference.

Section 2. Acknowledgement of Governor's Proclamation of a State of Emergency. The MGA Board has reconsidered the state of emergency proclaimed by the Governor of the State of California and finds that the state of emergency continues to directly impact the ability of the MGA Board and members of the public to meet safely in person.

Section 3. Acknowledgement of Local Health Order Promoting Social Distancing. The MGA Board determines that a local health order related the need for social distancing related to the COVID-19 pandemic remains in effect.

Section 4. Remote Teleconference Meetings. The MGA Board is authorized to carry out the intent and purpose of this Resolution by conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon adoption and shall be effective until the next meeting of the MGA Board, at which time the MGA Board will reconsider the circumstances of the COVID-19 state of emergency and, if necessary, adopt subsequent findings to continue holding teleconference meetings in accordance with Government Code Section 54953(e)(3).

Passed and adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on September 15, 2022, by the following vote:

AYES: Directors
NOES: Directors (or None)
ABSENT: Directors (or None)
ABSTAIN: Directors (or None)

APPROVED:

Thomas R. Lahue
Board Chair

ATTEST:

Jim Kerr
Board Secretary



County of Santa Cruz

HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 Emeline Ave., SANTA CRUZ, CA 95061-0962

TELEPHONE: (831) 454-4000 FAX: (831) 454-4488 TDD: Call 711

Public Health Division

HEALTH OFFICER RECOMMENDATION FOR SOCIAL DISTANCING (CONTINUED REMOTE MEETINGS FOR LEGISLATIVE BODIES)

COVID-19 disease prevention measures endorsed by the Centers for Disease Control and Prevention include vaccinations, facial coverings, increased indoor ventilation, handwashing, and physical/social distancing (particularly indoors). Since early in the COVID-19 pandemic, local legislative bodies such as boards, commissions, committees, and councils have successfully held public meetings remotely via teleconferencing. I strongly recommend continued use of teleconference meetings as a social distancing measure to help control transmission of the COVID-19 virus. Public meetings bring together many individuals, from multiple households, in a single indoor space for an extended period of time. Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate legislative business and participation in public affairs while at the same time helping to prevent the spread of COVID-19.

This recommendation is intended to satisfy the provision of the Brown Act (specifically, Government Code Section 54953(e)(1)(A)), which allows local legislative bodies in the County of Santa Cruz to use teleconferencing to enable remote meetings under specified circumstances. I will continue to evaluate this recommendation on an ongoing basis and will communicate when it is appropriate to withdraw the recommendation.

Gail Newel, MD

Health Officer of the County of Santa Cruz

Dated: September 30, 2021

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.1

Title: Conduct Annual Election of Officers

Recommended Board Action: 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.

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), which provides for the election at the first meeting of the fiscal year.

Directors may make nominations for each of the elected offices (Chair, Vice Chair and Secretary). If more than two Directors are nominated for any office, voting occurs until a nominee receives a majority of the votes. No other Board action is required. 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 15, 2022 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.

Submitted by Tim Carson

Program Director

Regional Water Management Foundation

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2

Title: Approve Local Project Sponsor Agreements under Sustainable Groundwater Management Implementation Grant

Attachments:

1. Draft Local Project Sponsor Agreement (Soquel Creek Water District)
2. Draft Local Project Sponsor Agreement (City of Santa Cruz)
3. Draft Local Project Sponsor Agreement (County of Santa Cruz)
4. Attachment A. Grant Agreement 4600014636

Recommended Board Action (summarized): Authorize the Board Chair to execute three Local Project Sponsor (LPS) Agreements between the MGA and the respective MGA Member Agencies implementing projects and management actions funded by the Sustainable Groundwater Management Act Implementation Grant Agreement Number 4600014636, including authorizing modifications (if necessary) to the LPS Agreements that are mutually agreeable to the legal counsels of the MGA and respective implementing MGA Member Agencies.

Background:

The Santa Cruz Mid-County Groundwater Agency (MGA) recently signed a Grant Agreement with the Department of Water Resources (DWR) for the \$7.6 million-dollar Sustainable Groundwater Management Implementation Grant (SGMI Grant). The SGMI Grant will fund implementation of the Santa Cruz Mid-County Groundwater Basin (Basin) Groundwater Sustainability Plan (GSP) including specific projects and management actions, as well as planning, monitoring, and reporting activities in response to the Sustainable Groundwater Management Act.

The LPS Agreements serve as sub-grantee agreements between the MGA, serving as Grantee, and the applicable MGA Member Agencies, acting as sub-grantees, that will receive grant funding to lead the implementation of specific activities in the Grant Agreement. The LPS Agreements incorporate the SGMI Grant Agreement and provide additional detail regarding the grant award amounts, responsibilities and obligations of the MGA and the implementing agencies.

Discussion:

The Grant Agreement identifies five “Components”, each with its own scope of work, budget, and schedule. The Components and the implementing Member Agencies/Local Project Sponsors are as follows:

Component 1: Cunnison Lane Groundwater Well
Implementing Agency: Soquel Creek Water District

Component 2: Aquifer Storage and Recovery in the Beltz well field
Implementing Agency: City of Santa Cruz

Component 3: Park Avenue Transmission Main/Bottleneck Improvements
Implementing Agency: Soquel Creek Water District

Component 4: Technical Development of GSP Projects and Management Actions
Implementing Agencies: Soquel Creek Water District and City of Santa Cruz

Component 5: Sustainable Groundwater Management Evaluation and Planning
Implementing Agencies: MGA and County of Santa Cruz

MGA counsel reviewed the LPS Agreement template. As proposed, the Board Action allows for modification, if necessary, to the LPS Agreements that are mutually agreeable to the legal counsels of the MGA and the implementing agencies. Such modifications would not include altering the Grant Agreement Exhibits (e.g., Work Plan, Budget, Schedule) nor the terms and standard conditions of the Grant Agreement. This is proposed within the Board Action because the final version of the DWR Grant Agreement was received in early September, allowing a short period of time to draft and circulate the LPS Agreements for review, and prepare materials in time for Board consideration at this meeting.

Note, to avoid document repetition in this Board packet/materials, the Grant Agreement (identified as Attachment A in each LPS) is only included once for reference.

Recommended Board Action:

1. BY MOTION, authorize the Board Chair to execute a Local Project Sponsor Agreement between the MGA and the Soquel Creek Water District (District) for the Sustainable Groundwater Management Act Implementation Grant Agreement Number 4600014636, including modifications to the LPS mutually agreeable to the legal counsels of the MGA and District; and,
2. BY MOTION, authorize the Board Chair to execute a Local Project Sponsor Agreement between the MGA and the City of Santa Cruz (City) for the Sustainable Groundwater Management Act Implementation Grant Agreement

Number 4600014636, including modifications to the LPS mutually agreeable to the legal counsels of the MGA and City, and

3. BY MOTION, authorize the Board Chair to execute a Local Project Sponsor Agreement between the MGA and the County of Santa Cruz (County) for the Sustainable Groundwater Management Act Implementation Grant Agreement Number 4600014636, including modifications to the LPS mutually agreeable to the legal counsels of the MGA and County.

Submitted 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
Rosemary Menard, Water Director, City of Santa Cruz
Sierra Ryan, Water Resources Manager, County of Santa Cruz

**LOCAL PROJECT SPONSOR AGREEMENT BETWEEN
SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (GRANTEE) AND
SOQUEL CREEK WATER DISTRICT (LOCAL PROJECT SPONSOR)
FOR THE DEPARTMENT OF WATER RESOURCES
SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT
FOR THE COMPONENTS TITLED:**

Component 1 (All Tasks): Cunnison Lane Groundwater Well

Component 3 (All Tasks): Park Avenue Transmission Main/Bottleneck Improvements

Component 4 (Selected Tasks): Technical Development of GSP Project and Management Actions

This Local Project Sponsor Agreement is entered into force on the date of execution by and between the Santa Cruz Mid-County Groundwater Agency (referred to herein as "MGA" or "Grantee"), and the Soquel Creek Water District (referred to herein as the "Local Project Sponsor" or "District"). The District and MGA are individually referred to herein as a "party" and collectively referred to herein as the "parties."

Recitals

- A.** MGA is a Groundwater Sustainability Agency established in 2016 under California's Sustainable Groundwater Management Act (SGMA) for the Santa Cruz Mid-County Groundwater Basin (the "Basin"). A Joint Powers Agreement is in place among the four Member Agencies, which are the Central Water District, City of Santa Cruz, County of Santa Cruz, and Soquel Creek Water District. Each Member Agency designated a senior level executive staff member to support the management and administration the MGA ("Executive Staff").
- B.** MGA developed a Groundwater Sustainability Plan (GSP) approved by the State of California in 2021. The GSP identifies Projects and Management Actions (PMAs) to achieve groundwater sustainability in the Basin. MGA Member Agencies will conduct activities associated with planning, development, and construction to implement the PMAs consistent with the GSP.
- C.** In February 2022, MGA submitted a grant funding proposal to the California Department of Water Resources' (DWR) Sustainable Groundwater Management Grant Program for SGMA implementation funding. DWR awarded \$7.6 million to MGA for SGMA implementation including the PMAs in the funding proposal.
- D.** In September 2022, MGA entered into an Agreement with the State of California (Department of Water Resources) [Agreement Number 4600014636] (referred to herein as the "Grant Agreement") under which MGA will be the Grantee to receive funds authorized under the SGMA Implementation Grant (the "Grant"). The Grant Agreement, and any subsequent amendments thereto, are incorporated herein by reference and is attached hereto as Attachment A to this Local Project Sponsor Agreement.
- E.** The Grant Agreement presents the work to be conducted as five distinct "Components", each with a scope of work, budget, and schedule. The Components and the implementing Member Agencies are as follows:

Component 1: Cunnison Lane Groundwater Well
Implementing Agency: Soquel Creek Water District

Component 2: Aquifer Storage and Recovery in the Beltz well field
Implementing Agency: City of Santa Cruz

Component 3: Park Avenue Transmission Main/Bottleneck Improvements
Implementing Agency: Soquel Creek Water District

Component 4: Technical Development of GSP Projects and Management Actions
Implementing Agencies: Soquel Creek Water District and City of Santa Cruz

Component 5: Sustainable Groundwater Management Evaluation and Planning
Implementing Agencies: MGA and County of Santa Cruz

- F.** MGA, as Grantee, will receive and administer the distribution of Grant funds to each local project sponsor pursuant to the Grant Agreement and in accordance with the terms and conditions set forth herein.

NOW THEREFORE, the parties agree as follows:

- 1.** The above recitals are incorporated herein by reference.
- 2.** The term Local Project Sponsor refers to the implementing agency of the specific Component(s) identified in this Local Project Sponsor Agreement and in the Grant Agreement. All work to be completed by Local Project Sponsor is referred to in this Local Project Sponsor Agreement as "Component" and is defined as a group of activities as set forth in the Attachment A, the Grant Agreement Exhibit A (Work Plan).
- 3.** The term of this Local Project Sponsor Agreement begins upon execution and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Local Project Sponsor Agreement or the Grant Agreement. All work to be performed by the Local Project Sponsor shall be completed by APRIL 30, 2025, in accordance with the schedule set forth in the Grant Agreement and no funds may be requested after JUNE 30, 2025.
- 4.** The Local Project Sponsor agrees to be bound to perform and abide by all of the provisions applicable to MGA set forth in the Grant Agreement as if the Local Project Sponsor had signed the Grant Agreement in the place and stead of MGA. MGA shall have all rights of the Department of Water Resources, "State," or "Division" conferred under the Grant Agreement with respect to the Local Project Sponsor in connection with this Local Project Sponsor Agreement.
- 5.** The Local Project Sponsor shall be solely responsible for compliance with the requirements of the Grant Agreement and implementation of the Component, including but not limited to environmental review, design, permitting, project management, oversight, compliance, construction, operation and maintenance. Any review or approval of plans, specifications, bid documents, or other construction documents by MGA or the State is solely for the purpose of proper administration of funds by MGA or the State and

shall not be deemed to relieve or restrict the responsibilities of the Local Project Sponsor under this Agreement.

6. The Local Project Sponsor agrees to:
 - a) Faithfully and expeditiously perform or cause to be performed all work and tasks associated with the Component, in accordance with Exhibit A (Workplan), Exhibit B (Budget) and Exhibit C (Schedule) attached to the Grant Agreement.
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of the Grant Agreement, including all documents incorporated by reference therein, and to fulfill all assurances, declarations, representations, and statements made by MGA in the application, documents, amendments, and communications filed in support of its grant application.
 - c) Comply with all applicable California laws and regulations.
7. The Local Project Sponsor shall perform the work and provide the documentation required of MGA pertinent to the Component in a timely manner as set forth in the Grant Agreement. Notwithstanding the foregoing, any documents or information required to be submitted to the State Department of Water Resources, agents of the Department of Water Resources, or agents of the State (each, a "State Representative"), shall not be submitted by the Local Project Sponsor to a State Representative, but rather shall be submitted to MGA who in turn will submit the documents to the appropriate State Representative.
8. The Local Project Sponsor acknowledges that paragraph 5 of the Grant Agreement (Basic Conditions) establishes the State shall have no obligation to disburse money for the Component until the Local Project Sponsor has satisfied all the applicable conditions specified in paragraph 5.
9. Subject to receipt of Grant funds from the Department of Water Resources as a result of a particular request for disbursement of Grant funds by the Local Project Sponsor and subject to the other terms and conditions set forth herein, MGA shall remit to the Local Project Sponsor such disbursement it receives from Department of Water Resources as a result of such request, up to a total amount not to exceed the Component(s) as shown below. Additional detail on the Component 4 sub-tasks and budgets are presented in Attachment B to this Local Project Sponsor Agreement. The District agrees to pay all costs in excess of the Grant award amount related to the completion of Components 1 and 3. The District agrees to pay 50% of all costs in excess of the Grant award amount related to the completion of Component 4 unless another cost share allocation is agreed upon in writing by the Executive Staff representative of both implementing agencies (i.e., General Manager of Soquel Creek Water District and Director of City of Santa Cruz Water Department).

Component	Grant Award Amount	Local Project Sponsor (Soquel Creek Water District) Grant Award Amount
Component 1 (All Tasks): Cunnison Lane Groundwater Well	\$1,675,000	\$1,675,000
Component 3 (All Tasks): Park Avenue Transmission Main/Bottleneck Improvements	\$ 800,000	\$800,000

Component	Grant Award Amount	Local Project Sponsor (Soquel Creek Water District) Grant Award Amount
Component 4: Technical Development of GSP Projects and Management Actions	\$1,900,000	\$950,000

10. In order to receive disbursement of grant funds, the Local Project Sponsor shall submit to MGA quarterly invoices for eligible project costs as defined in paragraph 7 of the Grant Agreement (Eligible Project Costs) in a form required by MGA. Supporting documentation as described in paragraph 8 of the Grant Agreement (Method of Payment) shall accompany each invoice. The documentation required by this paragraph shall be sent to:

Santa Cruz Mid-County Groundwater Agency
Attn: Administrator
5180 Soquel Drive, Aptos, CA 95073

or such other address as MGA may provide.

11. The Local Project Sponsor shall apply Grant funds only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B (Budget) of the Grant Agreement. Eligible Project Costs include the reasonable cost of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Costs incurred after DECEMBER 17, 2021, may be eligible for reimbursement. The Local Project Sponsor acknowledges that Eligible Project Costs related to the Project are limited to those set forth in paragraph 7 of the Grant Agreement.
12. Notwithstanding any other provision of this Local Project Sponsor Agreement, no disbursement shall be required to be made by MGA at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on state bonds, pursuant to any Federal statute or regulation. Any and all money disbursed to MGA under the Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs, as identified in paragraph 7 of the Grant Agreement.
13. The Local Project Sponsor acknowledges the requirements and processes defined the Grant Agreement Item 8 (Method of Payment) pertaining to reimbursement requests for Project costs incurred.
14. The Local Project Sponsor acknowledges its responsibility to comply with the applicable provisions of the Grant Agreement Exhibit D -- Standard Conditions.
15. This Local Project Sponsor Agreement is subject to and conditioned upon the approval of the Grant Agreement and any subsequent amendments of the Grant Agreement. The Local Project Sponsor shall not be entitled to, and MGA shall have no obligation to make any disbursement of Grant funds as set forth herein if MGA does not receive Grant funds from the Department of Water Resources for the Component. Further, if MGA is required to refund any disbursement made to the Local Project Sponsor to the Department of

Water Resources due to a violation of the Grant Agreement by the Local Project Sponsor, the Local Project Sponsor shall refund to MGA such disbursement amount plus any interest or penalties required to be paid by MGA to the Department of Water Resources, as well as for any expenses incurred by MGA (e.g., personnel time, postage) due in connection with the coordination of such refund.

16. For the useful life of construction and implementation projects and in consideration of the funding made by State, the Local Project Sponsor agrees to ensure, perform or cause to be performed the commencement and continued operation of the Project (herein also referred to as "Component"), and shall ensure, perform or cause the Project to be operated in an efficient and economical manner; shall ensure, perform or cause to be performed all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure, maintain or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State or MGA shall not be liable for any cost of such maintenance, management, or operation. The Local Project Sponsor or its successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the Project. Under the Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Local Project Sponsor to ensure or provide operation and maintenance of the Project in accordance with this provision may, at the option of State or MGA, be considered a breach of this Agreement and may be treated as default under Grant Agreement Paragraph 10, "Default Provisions." The maintenance obligation herein shall survive the term of this Agreement.
17. The Local Project Sponsor agrees to provide all required reports as specified in paragraph 12 of the Grant Agreement (Submission of Reports) and Exhibit F (Report Formats and Requirements), according to a format and schedule as specified by MGA. This pertains to the quarterly Progress Report, Component Completion Report, Deliverable Due Date Schedule, and Post-Performance Reports. The Local Project Sponsor agrees to prepare and submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the project begins operation. The Local Project Sponsor shall provide annual written notification to MGA of the Post-Performance Report submittal.
18. The Local Project Sponsor agrees to promptly notify MGA, in writing, if any of the items or matters listed in Grant Agreement paragraph 15 (Notification of State) occur.
19. MGA may hire a third party to provide administrative services for the benefit of the Local Project Sponsor in the administration of the Grant Agreement. The Local Project Sponsor shall be liable and agrees to reimburse MGA for administrative costs incurred by MGA that are not reimbursed under the Agreement and that are attributable to the Component, including its actions, inaction, or breach of this Local Project Sponsor Agreement. MGA agrees to provide grant administrative services for the term specified in the Grant Agreement. In the event the term of the Grant Agreement is extended by

MGA to accommodate the Local Project Sponsor, MGA shall be reimbursed by the Local Project Sponsor for any additional administrative costs that are solely attributable to grant administration occurring beyond the end date of the initial term.

- 20.** The Local Project Sponsor acknowledges the provisions of paragraph D8 under the Grant Agreement (CEQA). Activities funded under this Local Project Sponsor Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by MGA, the State's Project Manager and the State has completed its CEQA compliance review. Work funded under this Agreement that is subject to environmental review shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Local Project Sponsor is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with paragraph 10 of the Grant Agreement.
- 21.** The Local Project Sponsor acknowledges the provisions of paragraph D11 (Competitive Bidding and Procurements) of the Grant Agreement and that the Local Project Sponsor's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Local Project Sponsor does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' State Contracting Manual rules must be followed and are available at:
<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- 22.** The Local Project Sponsor agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Local Project Sponsor affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Local Project Sponsor affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- 23.** The Local Project Sponsor acknowledges the provisions of Exhibit D, paragraph 36 of the Grant Agreement (Retention) and agrees that disbursement of Grant funds may be withheld by the State and/or MGA to satisfy the retention requirements set forth therein. Notwithstanding any other provision of this Grant Agreement, State may, for the Project, withhold ten percent (10%) of the funds requested by the Local Project Sponsor for reimbursement of Eligible Project Costs. The Local Project Sponsor will be eligible for the release of retention when the Project is complete and the Local Project Sponsor has met

requirements of Paragraph 12 of the Grant Agreement (Submissions of Reports) including the requirement that the "Final Report" is submitted to and approved by State. Retained funds will be paid to the Local Project Sponsor through MGA.

- 24.** To the fullest extent allowed by law, the parties to this Local Project Sponsor Agreement agree to indemnify, defend, and hold the other party and its officers, directors, agents, and employees harmless from and against any and all judgments, losses, claims, damages or liabilities, joint or several, arising solely out of the indemnifying party's breach of this Local Project Sponsor Agreement, breach of the Grant Agreement, and willful misconduct. Each party further agrees to defend, indemnify, and hold the State of California harmless pursuant to the terms of the Grant Agreement.
- 25.** In the event the Local Project Sponsor violates any provision of this Local Project Sponsor Agreement that, in MGA's judgment, could result in a violation of the Grant Agreement, MGA may take (but is not required to take) any and all appropriate measures to attempt to prevent any such violation or to mitigate any damages MGA would incur as a result thereof, including but not limited to performing any work required of the Local Project Sponsor hereunder, and in such case, the Local Project Sponsor shall be liable for any costs of MGA incurred in connection with such measures.
- 26.** To enable MGA to confirm the Local Project Sponsor's compliance with this Local Project Sponsor Agreement, upon request by MGA, the Local Project Sponsor shall provide MGA with: (i) any requested documentation; and (ii) access to any work sites or other areas associated with the Project for the purpose of making observations or conducting any necessary tests or studies.
- 27.** MGA and the State reserve the right to conduct an audit during the term of the Grant and for a period of three years after final payment with respect to all matters connected with this Local Project Sponsor Agreement as specified in the Grant Agreement, Exhibit D 5 (Audits). All records of MGA, the Local Project Sponsor, or its contractors or subcontractors shall be preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later. The Local Project Sponsor agrees to compensate MGA for any costs incurred in complying with this provision related to the Project and shall return any audit disallowances to MGA.
- 28.** The parties may, pursuant to mutual agreement, expand the scope of work to be performed by the Local Project Sponsor hereunder, but in any event modifications to the terms of this Agreement shall be valid only if made in writing and executed by MGA and the Local Project Sponsor.
- 29.** The Local Project Sponsor shall not assign, delegate or otherwise transfer any of its duties, obligations, rights or interest under this Local Project Sponsor Agreement without prior written consent of MGA, which consent may be given or withheld by MGA in its reasonable discretion. Any attempted assignment or transfer without such consent shall be void.
- 30.** Subject to the provisions of the paragraph immediately below, all terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, MGA and the Local Project Sponsor and their respective legal representatives, successors and permitted assigns.

31. A waiver of any provision of this Agreement in any given instance shall not constitute a waiver of (i) such provision in future instances or (ii) any other provision of this Agreement.
32. This Local Project Sponsor Agreement, together with the Grant Amendment, constitutes the entire understanding of MGA and the Local Project Sponsor concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, correspondence, representations or understandings between MGA and the Local Project Sponsor relating to the subject matter hereof, whether written or oral.
33. This Local Project Sponsor Agreement may be executed in counterparts, each of which when taken together shall constitute the entire Agreement. Any signature delivered by a party by facsimile or other similar method of electronic transmission shall be deemed to be an original signature hereto.
34. This Local Project Sponsor Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any dispute arises between the parties to this agreement concerning the matters contained in this agreement, the parties agree to pursue nonbinding mediation as a means to resolve the dispute before resorting to arbitration or litigation.
35. Local Project Sponsor and/or its contractors and subcontractors, as applicable, shall provide all insurance coverage required under the Grant Agreement. The Local Project Sponsor shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement. MGA shall have no responsibility to secure insurance protection against loss or damage relating to Local Project Sponsor's Components identified in the Grant Agreement.
36. MGA shall not serve as a surety for the Local Project Sponsor's Component(s). MGA makes no guarantees, warranties, or representations that awarded Grant funds will be sufficient to meet expenses incurred by the Local Project Sponsor for the Component(s). MGA does not guarantee or warrant the plans and specifications for the Component(s).
37. Whenever it is provided in this Agreement that MGA or Local Project Sponsor shall give notice to the other, said notice shall be given by delivering a copy of said notice to the other party personally, or by mailing first class mail, postage prepaid, through the U.S. Postal Service, or by a nationally-recognized overnight courier, a copy of said notice at the following addresses:
 - A. Address for the Local Project Sponsor:
Soquel Creek Water District
5180 Soquel Drive, Aptos, CA 95073
 - B. Address for MGA:
Santa Cruz Mid-County Groundwater Agency
5180 Soquel Drive, Aptos, CA 95073

IN WITNESS WHEREOF MGA and the District have executed this Local Project Sponsor Agreement the day and year first written below by their duly authorized representatives, having full authority to so act for and on behalf of the parties hereto.

Santa Cruz Mid-County Groundwater Agency (MGA)

By: _____ Date: _____
Dr. Thomas LaHue
Board Chair

Soquel Creek Water District (District)

By: _____ Date: _____

APPROVED AS TO FORM:

By: _____
Justin A. Graham
MGA Counsel

Attachment A

DWR GRANT AGREEMENT #4600014636

***final executed version to be inserted
upon completion***

Attachment B

Implementing Agency Grant Award Amounts and Task

Component 4: Technical Development of GSP Project and Management Actions

TASK: DATA GAP ANALYSES AND ANALYTICAL TOOLS			
Sub-Task Description	Lead Implementing Agency	Estimated Cost¹	Grant Amount²
Sub-Task 1: Develop Objectives and Project Components to Analyze	Soquel Creek WD	\$100,000	\$100,000
Sub-Task 2: Groundwater Modeling (assume 8-12 simulations)	City of Santa Cruz	\$750,000	\$750,000
Sub-Task 3: Hydraulic Modeling and WQ Modeling	Soquel Creek WD	\$300,000	\$300,000
Sub-Task 4: Water Quality and Regional Compatibility/Optimization	Soquel Creek WD	\$150,000	\$150,000
Sub-Task 5: Economic and Financial Analysis/Modeling	Soquel Creek WD	\$200,000	\$200,000
Sub-Task 6: Needs Assessment (Env./CEQA; Permitting; Water Rights and Use Agreements; Interagency Agreements)	City of Santa Cruz	\$200,000	\$200,000
Sub-Task 7 (if applicable): Development Activities from Sub-Task 6	Soquel Creek WD	\$100,000	\$100,000
TASK: RECOMMENDATIONS AND IMPLEMENTATION/WORK PLAN			
Develop Recommendations and Implementation/Work Plan	Soquel Creek WD	\$100,000	\$100,000
Total		\$1,900,000	\$1,900,000
City of Santa Cruz Led Tasks Total		\$950,000	\$950,000
Soquel Creek Water District Led Tasks Total		\$950,000	\$950,000

1. Estimated costs are based upon the best estimates of staff at Soquel Creek Water District and City of Santa Cruz provided in February 2022. Actual costs may vary.

2. The Component 4 grant award is \$1,900,000; increasing or decreasing the Component 4 total grant amount is subject to approval by the Department of Water Resources (DWR) through a Grant Agreement amendment. Task/Sub-Task budget amount changes do not require DWR approval but requires written approval by the Executive Staff representative of both implementing agencies (i.e., General Manager of Soquel Creek Water District and Director of City of Santa Cruz Water Department).

**LOCAL PROJECT SPONSOR AGREEMENT BETWEEN
SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (GRANTEE) AND
CITY OF SANTA CRUZ (LOCAL PROJECT SPONSOR)
FOR THE DEPARTMENT OF WATER RESOURCES
SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT
FOR THE COMPONENTS TITLED:**

Component 2 (All Tasks): Aquifer Storage and Recovery, Beltz Well Field

Component 4 (Selected Tasks): Technical Development of GSP Project and Management Actions

This Local Project Sponsor Agreement is entered into force on the date of execution by and between the Santa Cruz Mid-County Groundwater Agency (referred to herein as "MGA" or "Grantee"), and the City of Santa Cruz (referred to herein as the "Local Project Sponsor" or "City"). The City and MGA are individually referred to herein as a "party" and collectively referred to herein as the "parties."

Recitals

- A.** MGA is a Groundwater Sustainability Agency established in 2016 under California's Sustainable Groundwater Management Act (SGMA) for the Santa Cruz Mid-County Groundwater Basin (the "Basin"). A Joint Powers Agreement is in place among the four Member Agencies, which are the Central Water District, City of Santa Cruz, County of Santa Cruz, and Soquel Creek Water District. Each Member Agency designated a senior level executive staff member to support the management and administration the MGA ("Executive Staff").
- B.** MGA developed a Groundwater Sustainability Plan (GSP) approved by the State of California in 2021. The GSP identifies Projects and Management Actions (PMAs) to achieve groundwater sustainability in the Basin. MGA Member Agencies will conduct activities associated with planning, development, and construction to implement the PMAs consistent with the GSP.
- C.** In February 2022, MGA submitted a grant funding proposal to the California Department of Water Resources' (DWR) Sustainable Groundwater Management Grant Program for SGMA implementation funding. DWR awarded \$7.6 million to MGA for SGMA implementation including the PMAs in the funding proposal.
- D.** In September 2022, MGA entered into an Agreement with the State of California (Department of Water Resources) [Agreement Number 4600014636] (referred to herein as the "Grant Agreement") under which MGA will be the Grantee to receive funds authorized under the SGMA Implementation Grant (the "Grant"). The Grant Agreement, and any subsequent amendments thereto, are incorporated herein by reference and is attached hereto as Attachment A to this Local Project Sponsor Agreement.
- E.** The Grant Agreement presents the work to be conducted as five distinct "Components", each with a scope of work, budget, and schedule. The Components and the implementing Member Agencies are as follows:

Component 1: Cunnison Lane Groundwater Well
Implementing Agency: Soquel Creek Water District

Component 2: Aquifer Storage and Recovery in the Beltz well field
Implementing Agency: City of Santa Cruz

Component 3: Park Avenue Transmission Main/Bottleneck Improvements
Implementing Agency: Soquel Creek Water District

Component 4: Technical Development of GSP Projects and Management Actions
Implementing Agencies: Soquel Creek Water District and City of Santa Cruz

Component 5: Sustainable Groundwater Management Evaluation and Planning
Implementing Agencies: MGA and County of Santa Cruz

- F.** MGA, as Grantee, will receive and administer the distribution of Grant funds to each local project sponsor pursuant to the Grant Agreement and in accordance with the terms and conditions set forth herein.

NOW THEREFORE, the parties agree as follows:

- 1.** The above recitals are incorporated herein by reference.
- 2.** The term Local Project Sponsor refers to the implementing agency of the specific Component(s) identified in this Local Project Sponsor Agreement and in the Grant Agreement. All work to be completed by Local Project Sponsor is referred to in this Local Project Sponsor Agreement as "Component" and is defined as a group of activities as set forth in the Attachment A, the Grant Agreement Exhibit A (Work Plan).
- 3.** The term of this Local Project Sponsor Agreement begins upon execution and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Local Project Sponsor Agreement or the Grant Agreement. All work to be performed by the Local Project Sponsor shall be completed by APRIL 30, 2025, in accordance with the schedule set forth in the Grant Agreement and no funds may be requested after JUNE 30, 2025.
- 4.** The Local Project Sponsor agrees to be bound to perform and abide by all of the provisions applicable to MGA set forth in the Grant Agreement as if the Local Project Sponsor had signed the Grant Agreement in the place and stead of MGA. MGA shall have all rights of the Department of Water Resources, "State," or "Division" conferred under the Grant Agreement with respect to the Local Project Sponsor in connection with this Local Project Sponsor Agreement.
- 5.** The Local Project Sponsor shall be solely responsible for compliance with the requirements of the Grant Agreement and implementation of the Component, including but not limited to environmental review, design, permitting, project management, oversight, compliance, construction, operation and maintenance. Any review or approval of plans, specifications, bid documents, or other construction documents by MGA or the State is solely for the purpose of proper administration of funds by MGA or the State and shall not be deemed to relieve or restrict the responsibilities of the Local Project Sponsor under this Agreement.

6. The Local Project Sponsor agrees to:
 - a) Faithfully and expeditiously perform or cause to be performed all work and tasks associated with the Component, in accordance with Exhibit A (Workplan), Exhibit B (Budget) and Exhibit C (Schedule) attached to the Grant Agreement.
 - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of the Grant Agreement, including all documents incorporated by reference therein, and to fulfill all assurances, declarations, representations, and statements made by MGA in the application, documents, amendments, and communications filed in support of its grant application.
 - c) Comply with all applicable California laws and regulations.
7. The Local Project Sponsor shall perform the work and provide the documentation required of MGA pertinent to the Component in a timely manner as set forth in the Grant Agreement. Notwithstanding the foregoing, any documents or information required to be submitted to the State Department of Water Resources, agents of the Department of Water Resources, or agents of the State (each, a "State Representative"), shall not be submitted by the Local Project Sponsor to a State Representative, but rather shall be submitted to MGA who in turn will submit the documents to the appropriate State Representative.
8. The Local Project Sponsor acknowledges that paragraph 5 of the Grant Agreement (Basic Conditions) establishes the State shall have no obligation to disburse money for the Component until the Local Project Sponsor has satisfied all the applicable conditions specified in paragraph 5.
9. Subject to receipt of Grant funds from the Department of Water Resources as a result of a particular request for disbursement of Grant funds by the Local Project Sponsor and subject to the other terms and conditions set forth herein, MGA shall remit to the Local Project Sponsor such disbursement it receives from Department of Water Resources as a result of such request, up to a total amount not to exceed the Component(s) as shown below. Additional detail on the Component 4 sub-tasks and budgets are presented in Attachment B to this Local Project Sponsor Agreement. The City agrees to pay all costs in excess of the Grant award amount related to the completion of Component 2. The City agrees to pay 50% of all costs in excess of the Grant award amount related to the completion of Component 4 unless another cost share allocation is agreed upon in writing by the Executive Staff representative of both implementing agencies (i.e., General Manager of Soquel Creek Water District and Director of City of Santa Cruz Water Department).

Component	Grant Award Amount	Local Project Sponsor (City of Santa Cruz) Grant Award Amount
Component 2: Aquifer Storage and Recovery in the Beltz well field	\$1,650,000	\$1,650,000
Component 4: Technical Development of GSP Projects and Management Actions	\$1,900,000	\$950,000

10. In order to receive disbursement of grant funds, the Local Project Sponsor shall submit to MGA quarterly invoices for eligible project costs as defined in paragraph 7 of the Grant

Agreement (Eligible Project Costs) in a form required by MGA. Supporting documentation as described in paragraph 8 of the Grant Agreement (Method of Payment) shall accompany each invoice. The documentation required by this paragraph shall be sent to:

Santa Cruz Mid-County Groundwater Agency
Attn: Administrator
5180 Soquel Drive, Aptos, CA 95073

or such other address as MGA may provide.

11. The Local Project Sponsor shall apply Grant funds only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B (Budget) of the Grant Agreement. Eligible Project Costs include the reasonable cost of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Costs incurred after DECEMBER 17, 2021, may be eligible for reimbursement. The Local Project Sponsor acknowledges that Eligible Project Costs related to the Project are limited to those set forth in paragraph 7 of the Grant Agreement.
12. Notwithstanding any other provision of this Local Project Sponsor Agreement, no disbursement shall be required to be made by MGA at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on state bonds, pursuant to any Federal statute or regulation. Any and all money disbursed to MGA under the Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs, as identified in paragraph 7 of the Grant Agreement.
13. The Local Project Sponsor acknowledges the requirements and processes defined the Grant Agreement Item 8 (Method of Payment) pertaining to reimbursement requests for Project costs incurred.
14. The Local Project Sponsor acknowledges its responsibility to comply with the applicable provisions of the Grant Agreement Exhibit D -- Standard Conditions.
15. This Local Project Sponsor Agreement is subject to and conditioned upon the approval of the Grant Agreement and any subsequent amendments of the Grant Agreement. The Local Project Sponsor shall not be entitled to, and MGA shall have no obligation to make any disbursement of Grant funds as set forth herein if MGA does not receive Grant funds from the Department of Water Resources for the Component. Further, if MGA is required to refund any disbursement made to the Local Project Sponsor to the Department of Water Resources due to a violation of the Grant Agreement by the Local Project Sponsor, the Local Project Sponsor shall refund to MGA such disbursement amount plus any interest or penalties required to be paid by MGA to the Department of Water Resources, as well as for any expenses incurred by MGA (e.g., personnel time, postage) due in connection with the coordination of such refund.
16. For the useful life of construction and implementation projects and in consideration of the funding made by State, the Local Project Sponsor agrees to ensure, perform or cause to be performed the commencement and continued operation of the Project (herein

also referred to as "Component"), and shall ensure, perform or cause the Project to be operated in an efficient and economical manner; shall ensure, perform or cause to be performed all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure, maintain or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State or MGA shall not be liable for any cost of such maintenance, management, or operation. The Local Project Sponsor or its successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the Project. Under the Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Local Project Sponsor to ensure or provide operation and maintenance of the Project in accordance with this provision may, at the option of State or MGA, be considered a breach of this Agreement and may be treated as default under Grant Agreement Paragraph 10, "Default Provisions." The maintenance obligation herein shall survive the term of this Agreement.

17. The Local Project Sponsor agrees to provide all required reports as specified in paragraph 12 of the Grant Agreement (Submission of Reports) and Exhibit F (Report Formats and Requirements), according to a format and schedule as specified by MGA. This pertains to the quarterly Progress Report, Component Completion Report, Deliverable Due Date Schedule, and Post-Performance Reports. The Local Project Sponsor agrees to prepare and submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the project begins operation. The Local Project Sponsor shall provide annual written notification to MGA of the Post-Performance Report submittal.
18. The Local Project Sponsor agrees to promptly notify MGA, in writing, if any of the items or matters listed in Grant Agreement paragraph 15 (Notification of State) occur.
19. MGA may hire a third party to provide administrative services for the benefit of the Local Project Sponsor in the administration of the Grant Agreement. The Local Project Sponsor shall be liable and agrees to reimburse MGA for administrative costs incurred by MGA that are not reimbursed under the Agreement and that are attributable to the Component, including its actions, inaction, or breach of this Local Project Sponsor Agreement. MGA agrees to provide grant administrative services for the term specified in the Grant Agreement. In the event the term of the Grant Agreement is extended by MGA to accommodate the Local Project Sponsor, MGA shall be reimbursed by the Local Project Sponsor for any additional administrative costs that are solely attributable to grant administration occurring beyond the end date of the initial term.
20. The Local Project Sponsor acknowledges the provisions of paragraph D8 under the Grant Agreement (CEQA). Activities funded under this Local Project Sponsor Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy

the CEQA process are received by MGA, the State's Project Manager and the State has completed its CEQA compliance review. Work funded under this Agreement that is subject to environmental review shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Local Project Sponsor is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with paragraph 10 of the Grant Agreement.

- 21.** The Local Project Sponsor acknowledges the provisions of paragraph D11 (Competitive Bidding and Procurements) of the Grant Agreement and that the Local Project Sponsor's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Local Project Sponsor does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' State Contracting Manual rules must be followed and are available at:
<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- 22.** The Local Project Sponsor agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Local Project Sponsor affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Local Project Sponsor affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- 23.** The Local Project Sponsor acknowledges the provisions of Exhibit D, paragraph 36 of the Grant Agreement (Retention) and agrees that disbursement of Grant funds may be withheld by the State and/or MGA to satisfy the retention requirements set forth therein. Notwithstanding any other provision of this Grant Agreement, State may, for the Project, withhold ten percent (10%) of the funds requested by the Local Project Sponsor for reimbursement of Eligible Project Costs. The Local Project Sponsor will be eligible for the release of retention when the Project is complete and the Local Project Sponsor has met requirements of Paragraph 12 of the Grant Agreement (Submissions of Reports) including the requirement that the "Final Report" is submitted to and approved by State. Retained funds will be paid to the Local Project Sponsor through MGA.
- 24.** To the fullest extent allowed by law, the parties to this Local Project Sponsor Agreement agree to indemnify, defend, and hold the other party and its officers, directors, agents, and employees harmless from and against any and all judgments, losses, claims, damages or liabilities, joint or several, arising solely out of the indemnifying party's breach of this Local Project Sponsor Agreement, breach of the Grant Agreement, and willful

misconduct. Each party further agrees to defend, indemnify, and hold the State of California harmless pursuant to the terms of the Grant Agreement.

- 25.** In the event the Local Project Sponsor violates any provision of this Local Project Sponsor Agreement that, in MGA's judgment, could result in a violation of the Grant Agreement, MGA may take (but is not required to take) any and all appropriate measures to attempt to prevent any such violation or to mitigate any damages MGA would incur as a result thereof, including but not limited to performing any work required of the Local Project Sponsor hereunder, and in such case, the Local Project Sponsor shall be liable for any costs of MGA incurred in connection with such measures.
- 26.** To enable MGA to confirm the Local Project Sponsor's compliance with this Local Project Sponsor Agreement, upon request by MGA, the Local Project Sponsor shall provide MGA with: (i) any requested documentation; and (ii) access to any work sites or other areas associated with the Project for the purpose of making observations or conducting any necessary tests or studies.
- 27.** MGA and the State reserve the right to conduct an audit during the term of the Grant and for a period of three years after final payment with respect to all matters connected with this Local Project Sponsor Agreement as specified in the Grant Agreement, Exhibit D 5 (Audits). All records of MGA, the Local Project Sponsor, or its contractors or subcontractors shall be preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later. The Local Project Sponsor agrees to compensate MGA for any costs incurred in complying with this provision related to the Project and shall return any audit disallowances to MGA.
- 28.** The parties may, pursuant to mutual agreement, expand the scope of work to be performed by the Local Project Sponsor hereunder, but in any event modifications to the terms of this Agreement shall be valid only if made in writing and executed by MGA and the Local Project Sponsor.
- 29.** The Local Project Sponsor shall not assign, delegate or otherwise transfer any of its duties, obligations, rights or interest under this Local Project Sponsor Agreement without prior written consent of MGA, which consent may be given or withheld by MGA in its reasonable discretion. Any attempted assignment or transfer without such consent shall be void.
- 30.** Subject to the provisions of the paragraph immediately below, all terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, MGA and the Local Project Sponsor and their respective legal representatives, successors and permitted assigns.
- 31.** A waiver of any provision of this Agreement in any given instance shall not constitute a waiver of (i) such provision in future instances or (ii) any other provision of this Agreement.
- 32.** This Local Project Sponsor Agreement, together with the Grant Amendment, constitutes the entire understanding of MGA and the Local Project Sponsor concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, correspondence, representations or understandings between MGA and the Local Project Sponsor relating to the subject matter hereof, whether written or oral.

- 33.** This Local Project Sponsor Agreement may be executed in counterparts, each of which when taken together shall constitute the entire Agreement. Any signature delivered by a party by facsimile or other similar method of electronic transmission shall be deemed to be an original signature hereto.
- 34.** This Local Project Sponsor Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any dispute arises between the parties to this agreement concerning the matters contained in this agreement, the parties agree to pursue nonbinding mediation as a means to resolve the dispute before resorting to arbitration or litigation.
- 35.** Local Project Sponsor and/or its contractors and subcontractors, as applicable, shall provide all insurance coverage required under the Grant Agreement. The Local Project Sponsor shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement. MGA shall have no responsibility to secure insurance protection against loss or damage relating to Local Project Sponsor's Components identified in the Grant Agreement.
- 36.** MGA shall not serve as a surety for the Local Project Sponsor's Component(s). MGA makes no guarantees, warranties, or representations that awarded Grant funds will be sufficient to meet expenses incurred by the Local Project Sponsor for the Component(s). MGA does not guarantee or warrant the plans and specifications for the Component(s).
- 37.** Whenever it is provided in this Agreement that MGA or Local Project Sponsor shall give notice to the other, said notice shall be given by delivering a copy of said notice to the other party personally, or by mailing first class mail, postage prepaid, through the U.S. Postal Service, or by a nationally-recognized overnight courier, a copy of said notice at the following addresses:
- A. Address for the Local Project Sponsor:
City of Santa Cruz Water Department
212 Locust St, Santa Cruz, CA 95060
 - B. Address for MGA:
Santa Cruz Mid-County Groundwater Agency
5180 Soquel Drive, Aptos, CA 95073

IN WITNESS WHEREOF MGA and the City of Santa Cruz have executed this Local Project Sponsor Agreement the day and year first written below by their duly authorized representatives, having full authority to so act for and on behalf of the parties hereto.

Santa Cruz Mid-County Groundwater Agency (MGA)

By: _____ Date: _____
Dr. Thomas LaHue
Board Chair

City of Santa Cruz (City)

By: _____ Date: _____

APPROVED AS TO FORM:

By: _____
Justin A. Graham
MGA Counsel

Attachment A

DWR GRANT AGREEMENT #4600014636

***final executed version to be inserted
upon completion***

Attachment B

Implementing Agency Grant Award Amounts and Task

Component 4: Technical Development of GSP Project and Management Actions

TASK: DATA GAP ANALYSES AND ANALYTICAL TOOLS			
Sub-Task Description	Lead Implementing Agency	Estimated Cost¹	Grant Amount²
Sub-Task 1: Develop Objectives and Project Components to Analyze	Soquel Creek WD	\$100,000	\$100,000
Sub-Task 2: Groundwater Modeling (assume 8-12 simulations)	City of Santa Cruz	\$750,000	\$750,000
Sub-Task 3: Hydraulic Modeling and WQ Modeling	Soquel Creek WD	\$300,000	\$300,000
Sub-Task 4: Water Quality and Regional Compatibility/Optimization	Soquel Creek WD	\$150,000	\$150,000
Sub-Task 5: Economic and Financial Analysis/Modeling	Soquel Creek WD	\$200,000	\$200,000
Sub-Task 6: Needs Assessment (Env./CEQA; Permitting; Water Rights and Use Agreements; Interagency Agreements)	City of Santa Cruz	\$200,000	\$200,000
Sub-Task 7 (if applicable): Development Activities from Sub-Task 6	Soquel Creek WD	\$100,000	\$100,000
TASK: RECOMMENDATIONS AND IMPLEMENTATION/WORK PLAN			
Develop Recommendations and Implementation/Work Plan	Soquel Creek WD	\$100,000	\$100,000
Total		\$1,900,000	\$1,900,000
City of Santa Cruz Led Tasks Total		\$950,000	\$950,000
Soquel Creek Water District Led Tasks Total		\$950,000	\$950,000

1. Estimated costs are based upon the best estimates of staff at Soquel Creek Water District and City of Santa Cruz provided in February 2022. Actual costs may vary.

2. The Component 4 grant award is \$1,900,000; increasing or decreasing the Component 4 total grant amount is subject to approval by the Department of Water Resources (DWR) through a Grant Agreement amendment. Task/Sub-Task budget amount changes do not require DWR approval but requires written approval by the Executive Staff representative of both implementing agencies (i.e., General Manager of Soquel Creek Water District and Director of City of Santa Cruz Water Department).

**LOCAL PROJECT SPONSOR AGREEMENT BETWEEN
SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (GRANTEE) AND
COUNTY OF SANTA CRUZ (LOCAL PROJECT SPONSOR)
FOR THE DEPARTMENT OF WATER RESOURCES
SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT
FOR THE COMPONENTS TITLED:**

Component 5 (Selected Tasks): Sustainable Groundwater Management Evaluation and Planning

This Local Project Sponsor Agreement is entered into force on the date of execution by and between the Santa Cruz Mid-County Groundwater Agency (referred to herein as "MGA" or "Grantee"), and the County of Santa Cruz, a political subdivision of the State of California, (referred to herein as the "Local Project Sponsor" or "County"). The County and MGA are individually referred to herein as a "party" and collectively referred to herein as the "parties."

Recitals

- A.** MGA is a Groundwater Sustainability Agency established in 2016 under California's Sustainable Groundwater Management Act (SGMA) for the Santa Cruz Mid-County Groundwater Basin (the "Basin"). A Joint Powers Agreement is in place among the four Member Agencies, which are the Central Water District, City of Santa Cruz, County of Santa Cruz, and Soquel Creek Water District. Each Member Agency designated a senior level executive staff member to support the management and administration the MGA ("Executive Staff").
- B.** MGA developed a Groundwater Sustainability Plan (GSP) approved by the State of California in 2021. The GSP identifies Projects and Management Actions (PMAs) to achieve groundwater sustainability in the Basin. MGA Member Agencies will conduct activities associated with planning, development, and construction to implement the PMAs consistent with the GSP.
- C.** In February 2022, MGA submitted a grant funding proposal to the California Department of Water Resources' (DWR) Sustainable Groundwater Management Grant Program for SGMA implementation funding. DWR awarded \$7.6 million to MGA for SGMA implementation including the PMAs in the funding proposal.
- D.** In September 2022, MGA entered into an Agreement with the State of California (Department of Water Resources) [Agreement Number 4600014636] (referred to herein as the "Grant Agreement") under which MGA will be the Grantee to receive funds authorized under the SGMA Implementation Grant (the "Grant"). The Grant Agreement, and any subsequent amendments thereto, are incorporated herein by reference and is attached hereto as Attachment A to this Local Project Sponsor Agreement.
- E.** The Grant Agreement presents the work to be conducted as five distinct "Components", each with a scope of work, budget, and schedule. The Components and the implementing Member Agencies are as follows:

Component 1: Cunnison Lane Groundwater Well
Implementing Agency: Soquel Creek Water District

Component 2: Aquifer Storage and Recovery in the Beltz well field
Implementing Agency: City of Santa Cruz

Component 3: Park Avenue Transmission Main/Bottleneck Improvements
Implementing Agency: Soquel Creek Water District

Component 4: Technical Development of GSP Projects and Management Actions
Implementing Agencies: Soquel Creek Water District and City of Santa Cruz

Component 5: Sustainable Groundwater Management Evaluation and Planning
Implementing Agencies: MGA and County of Santa Cruz

- F.** MGA, as Grantee, will receive and administer the distribution of Grant funds to each local project sponsor pursuant to the Grant Agreement and in accordance with the terms and conditions set forth herein.

NOW THEREFORE, the parties agree as follows:

- 1.** The above recitals are incorporated herein by reference.
- 2.** The term Local Project Sponsor refers to the implementing agency of the specific Component(s) identified in this Local Project Sponsor Agreement and in the Grant Agreement. All work to be completed by Local Project Sponsor is referred to in this Local Project Sponsor Agreement as "Component" and is defined as a group of activities as set forth in the Attachment A, the Grant Agreement Exhibit A (Work Plan).
- 3.** The term of this Local Project Sponsor Agreement begins upon execution and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Local Project Sponsor Agreement or the Grant Agreement. All work to be performed by the Local Project Sponsor shall be completed by APRIL 30, 2025, in accordance with the schedule set forth in the Grant Agreement and no funds may be requested after JUNE 30, 2025.
- 4.** The Local Project Sponsor agrees to be bound to perform and abide by all of the provisions applicable to MGA set forth in the Grant Agreement as if the Local Project Sponsor had signed the Grant Agreement in the place and stead of MGA. MGA shall have all rights of the Department of Water Resources, "State," or "Division" conferred under the Grant Agreement with respect to the Local Project Sponsor in connection with this Local Project Sponsor Agreement.
- 5.** The Local Project Sponsor shall be solely responsible for compliance with the requirements of the Grant Agreement and implementation of the Component, including but not limited to environmental review, design, permitting, project management, oversight, compliance, construction, operation and maintenance. Any review or approval of plans, specifications, bid documents, or other construction documents by MGA or the State is solely for the purpose of proper administration of funds by MGA or the State and shall not be deemed to relieve or restrict the responsibilities of the Local Project Sponsor under this Agreement.
- 6.** The Local Project Sponsor agrees to:

- a) Faithfully and expeditiously perform or cause to be performed all work and tasks associated with the Component, in accordance with Exhibit A (Workplan), Exhibit B (Budget) and Exhibit C (Schedule) attached to the Grant Agreement.
- b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of the Grant Agreement, including all documents incorporated by reference therein, and to fulfill all assurances, declarations, representations, and statements made by MGA in the application, documents, amendments, and communications filed in support of its grant application.
- c) Comply with all applicable California laws and regulations.

7. The Local Project Sponsor shall perform the work and provide the documentation required of MGA pertinent to the Component in a timely manner as set forth in the Grant Agreement. Notwithstanding the foregoing, any documents or information required to be submitted to the State Department of Water Resources, agents of the Department of Water Resources, or agents of the State (each, a "State Representative"), shall not be submitted by the Local Project Sponsor to a State Representative, but rather shall be submitted to MGA who in turn will submit the documents to the appropriate State Representative.
8. The Local Project Sponsor acknowledges that paragraph 5 of the Grant Agreement (Basic Conditions) establishes the State shall have no obligation to disburse money for the Component until the Local Project Sponsor has satisfied all the applicable conditions specified in paragraph 5.
9. Subject to receipt of Grant funds from the Department of Water Resources as a result of a particular request for disbursement of Grant funds by the Local Project Sponsor and subject to the other terms and conditions set forth herein, MGA shall remit to the Local Project Sponsor such disbursement it receives from Department of Water Resources as a result of such request, up to a total amount not to exceed the Component(s) as shown below. Additional detail on the Component 5 sub-tasks and budgets are presented in Attachment B to this Local Project Sponsor Agreement.

Component	Grant Award Amount	Local Project Sponsor (County of Santa Cruz) Grant Award Amount
Component 5: Sustainable Groundwater Management Evaluation and Planning	\$1,575,000	\$615,000

10. In order to receive disbursement of grant funds, the Local Project Sponsor shall submit to MGA quarterly invoices for eligible project costs as defined in paragraph 7 of the Grant Agreement (Eligible Project Costs) in a form required by MGA. Supporting documentation as described in paragraph 8 of the Grant Agreement (Method of Payment) shall accompany each invoice. The documentation required by this paragraph shall be sent to:

Santa Cruz Mid-County Groundwater Agency
Attn: Administrator
5180 Soquel Drive, Aptos, CA 95073

or such other address as MGA may provide.

11. The Local Project Sponsor shall apply Grant funds only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B (Budget) of the Grant Agreement. Eligible Project Costs include the reasonable cost of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Costs incurred after DECEMBER 17, 2021, may be eligible for reimbursement. The Local Project Sponsor acknowledges that Eligible Project Costs related to the Project are limited to those set forth in paragraph 7 of the Grant Agreement.
12. Notwithstanding any other provision of this Local Project Sponsor Agreement, no disbursement shall be required to be made by MGA at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on state bonds, pursuant to any Federal statute or regulation. Any and all money disbursed to MGA under the Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs, as identified in paragraph 7 of the Grant Agreement.
13. The Local Project Sponsor acknowledges the requirements and processes defined the Grant Agreement Item 8 (Method of Payment) pertaining to reimbursement requests for Project costs incurred.
14. The Local Project Sponsor acknowledges its responsibility to comply with the applicable provisions of the Grant Agreement Exhibit D -- Standard Conditions.
15. This Local Project Sponsor Agreement is subject to and conditioned upon the approval of the Grant Agreement and any subsequent amendments of the Grant Agreement. The Local Project Sponsor shall not be entitled to, and MGA shall have no obligation to make any disbursement of Grant funds as set forth herein if MGA does not receive Grant funds from the Department of Water Resources for the Component. Further, if MGA is required to refund any disbursement made to the Local Project Sponsor to the Department of Water Resources due to a violation of the Grant Agreement by the Local Project Sponsor, the Local Project Sponsor shall refund to MGA such disbursement amount plus any interest or penalties required to be paid by MGA to the Department of Water Resources, as well as for any expenses incurred by MGA (e.g., personnel time, postage) due in connection with the coordination of such refund.
16. For the useful life of construction and implementation projects and in consideration of the funding made by State, the Local Project Sponsor agrees to ensure, perform or cause to be performed the commencement and continued operation of the Project (herein also referred to as "Component"), and shall ensure, perform or cause the Project to be operated in an efficient and economical manner; shall ensure, perform or cause to be performed all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure, maintain or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State or MGA shall not be liable for any cost of such maintenance, management, or operation. The Local Project Sponsor or its successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the Project. Under the Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the

purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Local Project Sponsor to ensure or provide operation and maintenance of the Project in accordance with this provision may, at the option of State or MGA, be considered a breach of this Agreement and may be treated as default under Grant Agreement Paragraph 10, "Default Provisions." The maintenance obligation herein shall survive the term of this Agreement.

17. The Local Project Sponsor agrees to provide all required reports as specified in paragraph 12 of the Grant Agreement (Submission of Reports) and Exhibit F (Report Formats and Requirements), according to a format and schedule as specified by MGA. This pertains to the quarterly Progress Report, Component Completion Report, Deliverable Due Date Schedule, and Post-Performance Reports. The Local Project Sponsor agrees to prepare and submit Post-Performance Reports. Post-Performance Reports shall be submitted to State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the project begins operation. The Local Project Sponsor shall provide annual written notification to MGA of the Post-Performance Report submittal.
18. The Local Project Sponsor agrees to promptly notify MGA, in writing, if any of the items or matters listed in Grant Agreement paragraph 15 (Notification of State) occur.
19. MGA may hire a third party to provide administrative services for the benefit of the Local Project Sponsor in the administration of the Grant Agreement. The Local Project Sponsor shall be liable and agrees to reimburse MGA for administrative costs incurred by MGA that are not reimbursed under the Agreement and that are attributable to the Component, including its actions, inaction, or breach of this Local Project Sponsor Agreement. MGA agrees to provide grant administrative services for the term specified in the Grant Agreement. In the event the term of the Grant Agreement is extended by MGA to accommodate the Local Project Sponsor, MGA shall be reimbursed by the Local Project Sponsor for any additional administrative costs that are solely attributable to grant administration occurring beyond the end date of the initial term.
20. The Local Project Sponsor acknowledges the provisions of paragraph D8 under the Grant Agreement (CEQA). Activities funded under this Local Project Sponsor Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by MGA, the State's Project Manager and the State has completed its CEQA compliance review. Work funded under this Agreement that is subject to environmental review shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Local Project Sponsor is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with paragraph 10 of the Grant Agreement.

- 21.** The Local Project Sponsor acknowledges the provisions of paragraph D11 (Competitive Bidding and Procurements) of the Grant Agreement and that the Local Project Sponsor's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Local Project Sponsor does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' State Contracting Manual rules must be followed and are available at:
<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- 22.** The Local Project Sponsor agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Local Project Sponsor affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Local Project Sponsor affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- 23.** The Local Project Sponsor acknowledges the provisions of Exhibit D, paragraph 36 of the Grant Agreement (Retention) and agrees that disbursement of Grant funds may be withheld by the State and/or MGA to satisfy the retention requirements set forth therein. Notwithstanding any other provision of this Grant Agreement, State may, for the Project, withhold ten percent (10%) of the funds requested by the Local Project Sponsor for reimbursement of Eligible Project Costs. The Local Project Sponsor will be eligible for the release of retention when the Project is complete and the Local Project Sponsor has met requirements of Paragraph 12 of the Grant Agreement (Submissions of Reports) including the requirement that the "Final Report" is submitted to and approved by State. Retained funds will be paid to the Local Project Sponsor through MGA.
- 24.** To the fullest extent allowed by law, the parties to this Local Project Sponsor Agreement agree to indemnify, defend, and hold the other party and its officers, directors, agents, and employees harmless from and against any and all judgments, losses, claims, damages or liabilities, joint or several, arising solely out of the indemnifying party's breach of this Local Project Sponsor Agreement, breach of the Grant Agreement, and willful misconduct. Each party further agrees to defend, indemnify, and hold the State of California harmless pursuant to the terms of the Grant Agreement.
- 25.** In the event the Local Project Sponsor violates any provision of this Local Project Sponsor Agreement that, in MGA's judgment, could result in a violation of the Grant Agreement, MGA may take (but is not required to take) any and all appropriate measures to attempt to prevent any such violation or to mitigate any damages MGA would incur as a result thereof, including but not limited to performing any work required of the Local Project Sponsor hereunder, and in such case, the Local Project Sponsor shall be liable for any costs of MGA incurred in connection with such measures.

- 26.** To enable MGA to confirm the Local Project Sponsor's compliance with this Local Project Sponsor Agreement, upon request by MGA, the Local Project Sponsor shall provide MGA with: (i) any requested documentation; and (ii) access to any work sites or other areas associated with the Project for the purpose of making observations or conducting any necessary tests or studies.
- 27.** MGA and the State reserve the right to conduct an audit during the term of the Grant and for a period of three years after final payment with respect to all matters connected with this Local Project Sponsor Agreement as specified in the Grant Agreement, Exhibit D 5 (Audits). All records of MGA, the Local Project Sponsor, or its contractors or subcontractors shall be preserved for this purpose for at least three (3) years after project completion or final billing, whichever comes later. The Local Project Sponsor agrees to compensate MGA for any costs incurred in complying with this provision related to the Project and shall return any audit disallowances to MGA.
- 28.** The parties may, pursuant to mutual agreement, expand the scope of work to be performed by the Local Project Sponsor hereunder, but in any event modifications to the terms of this Agreement shall be valid only if made in writing and executed by MGA and the Local Project Sponsor.
- 29.** The Local Project Sponsor shall not assign, delegate or otherwise transfer any of its duties, obligations, rights or interest under this Local Project Sponsor Agreement without prior written consent of MGA, which consent may be given or withheld by MGA in its reasonable discretion. Any attempted assignment or transfer without such consent shall be void.
- 30.** Subject to the provisions of the paragraph immediately below, all terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, MGA and the Local Project Sponsor and their respective legal representatives, successors and permitted assigns.
- 31.** A waiver of any provision of this Agreement in any given instance shall not constitute a waiver of (i) such provision in future instances or (ii) any other provision of this Agreement.
- 32.** This Local Project Sponsor Agreement, together with the Grant Amendment, constitutes the entire understanding of MGA and the Local Project Sponsor concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, correspondence, representations or understandings between MGA and the Local Project Sponsor relating to the subject matter hereof, whether written or oral.
- 33.** This Local Project Sponsor Agreement may be executed in counterparts, each of which when taken together shall constitute the entire Agreement. Any signature delivered by a party by facsimile or other similar method of electronic transmission shall be deemed to be an original signature hereto.
- 34.** This Local Project Sponsor Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any dispute arises between the parties to this agreement concerning the matters contained in this agreement, the parties agree to pursue nonbinding mediation as a means to resolve the dispute before resorting to arbitration or litigation.

35. Local Project Sponsor and/or its contractors and subcontractors, as applicable, shall provide all insurance coverage required under the Grant Agreement. The Local Project Sponsor shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement. MGA shall have no responsibility to secure insurance protection against loss or damage relating to Local Project Sponsor's Components identified in the Grant Agreement.
36. MGA shall not serve as a surety for the Local Project Sponsor's Component(s). MGA makes no guarantees, warranties, or representations that awarded Grant funds will be sufficient to meet expenses incurred by the Local Project Sponsor for the Component(s). MGA does not guarantee or warrant the plans and specifications for the Component(s).
37. Whenever it is provided in this Agreement that MGA or Local Project Sponsor shall give notice to the other, said notice shall be given by delivering a copy of said notice to the other party personally, or by mailing first class mail, postage prepaid, through the U.S. Postal Service, or by a nationally-recognized overnight courier, a copy of said notice at the following addresses:
- A. Address for the Local Project Sponsor:
County of Santa Cruz
701 Ocean Street, Room 312, Santa Cruz, CA, 95060
 - B. Address for MGA:
Santa Cruz Mid-County Groundwater Agency
5180 Soquel Drive, Aptos, CA 95073

IN WITNESS WHEREOF MGA and the County of Santa Cruz have executed this Local Project Sponsor Agreement the day and year first written below by their duly authorized representatives, having full authority to so act for and on behalf of the parties hereto.

Santa Cruz Mid-County Groundwater Agency (MGA)

By: _____
Dr. Thomas LaHue
Board Chair

Date: _____

County of Santa Cruz (County)

By: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Justin A. Graham
MGA Counsel

Attachment A

DWR GRANT AGREEMENT #4600014636

***final executed version to be inserted
upon completion***

Attachment B

Implementing Agency Grant Award Amounts and Task

Component 5: Technical Development of GSP Project and Management Actions

TASK: Activities to Inform the Evaluation of Sustainable Management Criteria			
Task Description	Estimated Cost¹	MGA Grant Amount	County Grant Amount
Offshore AEM Surveys	\$250,000	\$250,000	\$-
Monitoring Streamflow	\$150,000	\$150,000	\$-
Monitoring Groundwater Extractions through Non-de minimis Metering	\$65,000	\$50,000	\$15,000
Data Management System (DMS) Implementation	\$75,000	\$-	\$75,000
SGMA Planning and Coordination	\$525,000	\$-	\$525,000
Periodic (5-Year) GSP Update	\$300,000	\$300,000	\$-
Annual GSP Reporting	\$210,000	\$210,000	\$-
Total		\$960,000	\$615,000

1. Estimated costs are based upon the best estimates of MGA Member Agency staff provided in February 2022. Actual costs may vary.

2. The Component 5 grant award is \$1,575,000; increasing or decreasing the Component 5 total grant amount is subject to approval by the Department of Water Resources (DWR) through a Grant Agreement amendment. Task/Sub-Task budget amount changes do not require DWR approval but requires unanimous approval by the Executive Staff representatives. Consistent with the MGA Bylaws Article 6, Section 6.1.1. any issue not resolvable by Executive Staff and the Chair and Vice Chair will be referred to the full Board for decision.

**GRANT AGREEMENT BETWEEN THE STATE OF CALIFORNIA
(DEPARTMENT OF WATER RESOURCES) AND
SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
AGREEMENT NUMBER 4600014636**

SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) IMPLEMENTATION GRANT

THIS GRANT AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" or "DWR" and the Santa Cruz Mid-County Groundwater Agency, public agency, in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. **PURPOSE.** The State shall provide funding from the Budget Act of 2021 (Stats. 2021, ch. 240, § 80) to the Grantee to assist in financing the Santa Cruz Mid-County Groundwater Agency SGMA Implementation – Planning and Projects Grant (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is to implement SGMA as outlined in the Grantee's Groundwater Sustainability Plan (GSP) or Alternative to a GSP. The provision of State funds pursuant to this Agreement shall not be construed or interpreted to mean that the Groundwater Sustainability Plan (GSP) or Alternative to GSP, or any components of the GSP, implemented in accordance with the Work Plan as set forth in Exhibit A will be: adopted by the applicable Groundwater Sustainability Agency (GSA); obtain the necessary desirable results of Sustainable Management Criteria; or, meet all of the evaluation and assessment criteria when submitted to DWR as required by the SGMA and implementing regulations.
2. **TERM OF GRANT AGREEMENT.** The term of this Grant Agreement begins upon execution and ends three (3) years following the final payment unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by APRIL 30, 2025, and no funds may be requested after JUNE 30, 2025.
3. **GRANT AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$7,600,000.
4. **GRANTEE COST SHARE.** Not applicable.
5. **BASIC CONDITIONS.** The State shall have no obligation to disburse money for the Project under this Grant Agreement until the Grantee has satisfied the following conditions:
 - A. The Grantee must demonstrate compliance with all eligibility criteria set forth on Pages 7 through 13 of the *SGM Grant Program 2021 Guidelines* (2021 Guidelines).
 - B. For the term of this Grant Agreement, the Grantee submits Quarterly Progress Reports, associated quarterly invoices, and all invoice backup documentation no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30th, August 29th, November 29th, and February 28th) and all other deliverables as required by Paragraph 12, "Submission of Reports" and Exhibit A, "Work Plan".
 - C. Prior to the commencement of construction or implementation activities, if applicable, the Grantee shall submit the following to the State:
 - i. Final plans and specifications certified by a California Registered Civil Engineer (or equivalent registered professional as appropriate) to certify compliance for each approved project as listed in Exhibit A, "Work Plan" of this Grant Agreement.
 - ii. Work that is subject to the California Environmental Quality Act (CEQA) process and/or environmental permitting shall not proceed under this Grant Agreement until the following actions are performed:
 - a. The Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form (EIF) to the State,
 - b. Documents that satisfy the CEQA process are received by the State,
 - c. The State has completed its CEQA compliance review as a Responsible Agency, and

- d. The Grantee receives written concurrence from the State of Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

The State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, the State will consider the environmental documents and decide whether to continue to fund the project or to require changes, alterations or other mitigation. The Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

iii. A monitoring plan as required by Paragraph 14, "Project Monitoring Plan Requirements."

- 6. DISBURSEMENT OF FUNDS. The State will disburse to the Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Grant Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation. Any and all money disbursed to the Grantee under this Grant Agreement shall be deposited in a non-interest bearing account and shall be used solely to pay Eligible Project Costs.
- 7. ELIGIBLE PROJECT COST. The Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B, "Budget". Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition and associated legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after DECEMBER 17, 2021 shall be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to the following items:

- A. Costs for preparing and filing a grant application and/or Spending Plan.
- B. Costs associated with the formation of a GSA(s) or other board formation that is responsible for implementing SGMA.
- C. Operation and maintenance costs, including post construction performance and monitoring costs.
- D. Purchase of equipment not an integral part of a project.
- E. Establishing a reserve fund.
- F. Purchase of water supplies.
- G. Replacement of existing funding sources for ongoing programs.
- H. Travel and per diem costs, except for mileage.
- I. Support of existing agency requirements and mandates.
- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
- K. Meals, food items, or refreshments.
- L. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.

M. Overhead and indirect costs: "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; forums, trainings, and seminars; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

8. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 5, "Basic Conditions" are met, the State will disburse the whole or portions of State funding to the Grantee, following receipt from the Grantee via US mail or Express mail delivery of a "wet signature" invoice or an electronic invoice certified and transmitted via DocuSign for costs incurred and timely Quarterly Progress Reports as required by Paragraph 12, "Submission of Reports." Payment will be made no more frequently than quarterly, in arrears, upon receipt of an invoice bearing the Grant Agreement number. Invoices must accompany a Quarterly Progress Report and shall be submitted within no later than sixty (60) days following the end of the calendar quarter (e.g., submitted by May 30th, August 29th, November 29th, and February 28th). The State will notify the Grantee, in a timely manner, whenever, upon review of an Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to the State. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to the State to cure such deficiency(ies). If the Grantee fails to submit adequate documentation curing the deficiency(ies), the State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by the Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice. If backup documentation provided is outside of the period identified in the particular invoice, the Grantee must provide justification within the associated Quarterly Progress Report and note the discrepancy on the Invoice Submittal Summary Sheet.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for a project during the period identified in the particular invoice for the implementation of a project.
- C. Invoices shall be submitted on forms provided by the State and shall meet the following format requirements:
 - i. Invoices must contain the date of the invoice, either the time period covered by the invoice or the invoice date received within the time period covered, and the total amount due.
 - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B, "Budget". The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, time sheets) must be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 3, "Grant Amount".

Original signature and date (in ink) of the Grantee's Project Representative. Submit the original "wet signature" copy of the invoice form to the following address: Angela Cruz at P.O. Box 942836, Sacramento, CA 94236-0001 or an electronic signature certified and transmitted via DocuSign from authorized representative to Angela Cruz at angela.cruz@water.ca.gov.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds. Additionally, the State may request an audit pursuant to Paragraph D.5 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 487-489.)

9. WITHHOLDING OF DISBURSEMENTS BY THE STATE. If the State determines that a project is not being implemented in accordance with the provisions of this Grant Agreement, or that the Grantee has failed in any other respect to comply with the provisions of this Grant Agreement, and if the Grantee does not remedy any such failure to the State's satisfaction, the State may withhold from the Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and the State notifies the Grantee of its decision not to release funds that have been withheld pursuant to Paragraph 10, "Default Provisions," the portion that has been disbursed shall thereafter be repaid immediately at the time the State notifies the Grantee, as directed by the State. The State may consider the Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 10. If the State notifies the Grantee of its decision to withhold the entire funding amount from the Grantee pursuant to this Paragraph, this Grant Agreement shall terminate upon receipt of such notice by the Grantee and the State shall no longer be required to provide funds under this Grant Agreement and the Grant Agreement shall no longer be binding on either party.

10. DEFAULT PROVISIONS. The Grantee will be in default under this Grant Agreement if any of the following occur:

- A. Substantial breaches of this Grant Agreement, or any supplement or amendment to it, or any other agreement between the Grantee and the State evidencing or securing the Grantee's obligations;
- B. Making any false warranty, representation, or statement with respect to this Grant Agreement or the application filed to obtain this Grant Agreement;
- C. Failure to operate or maintain the Project in accordance with this Grant Agreement.
- D. Failure to make any remittance required by this Grant Agreement, including any remittance recommended as the result of an audit conducted pursuant to Paragraph D.5.
- E. Failure to submit quarterly progress reports pursuant to Paragraph 5.
- F. Failure to routinely invoice the State pursuant to Paragraph 8.
- G. Failure to meet any of the requirements set forth in Paragraph 11, "Continuing Eligibility."

Should an event of default occur, the State shall provide a notice of default to the Grantee and shall give the Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, the State may do any of the following:

- A. Declare the funding be immediately repaid.
- B. Terminate any obligation to make future payments to the Grantee.
- C. Terminate the Grant Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event the State finds it necessary to enforce this provision of this Grant Agreement in the manner provided by law, the Grantee agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

11. CONTINUING ELIGIBILITY. The Grantee must meet the following ongoing requirement(s) and all eligibility criteria outlined in the 2021 Guidelines to remain eligible to receive State funds:
 - A. The Grantee must continue to demonstrate eligibility and the groundwater basin must continue to be an eligible basin as outlined in the 2021 Guidelines and 2021 PSP.
 - B. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
 - C. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
 - D. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
 - E. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq.
 - F. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
12. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Grant Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to the State. All reports shall be submitted to the State's Grant Manager, and shall be submitted via DWR's "Grant Review and Tracking System" (GRanTS), or an equivalent online submittal tool. If requested, the Grantee shall promptly provide any additional information deemed necessary by the State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit F, "Report Formats and Requirements." The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.
 - A. Quarterly Progress Reports: The Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be uploaded via GRanTS, or an equivalent online submittal tool, and the State's Grant Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, the Grantees activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Grant Agreement during the reporting period. The first Quarterly Progress Report and associated quarterly invoice should be submitted to the State no later than NOVEMBER 30, 2022, with future reports then due on successive three-month increments based on the invoicing schedule and this date. The DWR Grant Manager will provide a Quarterly Progress Report template that shall be used for the duration of the Agreement.

- B. Groundwater Sustainability Plan or Alternative: The Grantee shall ensure that any updates to the GSP or Alternative shall be formatted, drafted, prepared, and completed as required by the GSP Regulations, and in accordance with any other regulations or requirements that are stipulated through SGMA.
- C. Component Completion Report(s): The Grantee shall prepare and submit to the State a separate Component Completion Report for each component included in Exhibit A, "Work Plan". The Grantee shall submit a Component Completion Report within ninety (90) calendar days of component completion or before the work completion date in Paragraph 2, whichever is earliest. Each Component Completion Report shall include, in part, a description of actual work done, any changes or amendments to each component, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during a project. The Component Completion Report shall also include, if applicable, certification of final component by a California Registered Civil Engineer (or equivalent registered professional as appropriate), consistent with Standard Condition D.18, "Final Inspections and Certification of Registered Civil Engineer". A DWR "Certification of Project Completion" form will be provided by the State.
- D. Grant Completion Report: Upon completion of the Project included in Exhibit A, "Work Plan" the Grantee shall submit to the State a Grant Completion Report. The Grant Completion Report shall be submitted within ninety (90) calendar days of submitting the Completion Report for the final project to be completed under this Grant Agreement, as outlined in Exhibit F, "Report Formats and Requirements". Retention for the last project to be completed as part of this Grant Agreement will not be disbursed until the Grant Completion Report is submitted to be approved by the State. The Grantee must submit the draft Grant Completion Report to the DWR Grant Manager for comment and review 90-days before the work completion date listed in Paragraph 2. DWR's Grant Manager will review the Draft Grant Completion Report and provide comments and edits within 30-days of receipt, when possible. Prepare a Final Completion Report addressing the DWR Grant Manager's comments prior to the work completion date listed in Paragraph 2. The Grantee must obtain the DWR Grant Manager's approval of the report within 30-days after the work completion date.
- E. Post-Performance Reports (PPRs): The Grantee shall submit PPRs to the State within ninety (90) calendar days after the first operational year of a project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the completed project begins operation.
- F. Deliverable Due Date Schedule: The Grantee shall submit a Deliverable Due Date Schedule within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the Deliverable Due Date Schedule has been received by the DWR Grant Manager. Any edits to the schedule must be approved by the DWR Grant Manager and the revised schedule saved in the appropriate project files.
- G. Environmental Information Form (EIF): Prepare and submit the EIF within 30 days of the execution date of the Grant Agreement. No invoices will be reviewed or processed until the EIF has been received by the DWR Grant Manager.
13. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by the State, the Grantee agrees to ensure or cause to be performed the commencement and continued operation of the project, and shall ensure or cause the project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. The Grantee or their successors may, with the written approval of the State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Grant Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material

and labor needed for operations, utilities, insurance, and similar expenses, and “maintenance costs” include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of the Grantee to ensure operation and maintenance of the projects in accordance with this provision may, at the option of the State, be considered a breach of this Grant Agreement and may be treated as default under Paragraph 10, “Default Provisions.”

14. PROJECT MONITORING PLAN REQUIREMENTS. As required in Exhibit A, “Work Plan”, a Monitoring Plan shall be submitted to the State prior to disbursement of State funds for construction or monitoring activities. The Monitoring Plan should incorporate Post Performance Monitoring Report requirements as defined and listed in Exhibit J, “Monitoring and Maintenance Plan Components”. The SGM Grant Program has developed post construction monitoring methodologies that shall be used for the Post Performance Reporting.
15. STATEWIDE MONITORING REQUIREMENTS. The Grantee shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Wat. Code, § 10780 et seq.) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit G, “Requirements for Data Submittal” for web links and information regarding other State monitoring and data reporting requirements.
16. NOTIFICATION OF STATE. The Grantee shall promptly notify the State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Grant Agreement. The Grantee agrees that no substantial change in the scope of a project will be undertaken until written notice of the proposed change has been provided to the State and the State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
 - B. Any public or media event publicizing the accomplishments and/or results of this Grant Agreement and provide the opportunity for attendance and participation by the State’s representatives. The Grantee shall make such notification at least fourteen (14) calendar days prior to the event.
 - C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
 - D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
 - E. For implementation/construction Projects, final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with Standard Condition D.18, “Final Inspections and Certification of Registered Civil Engineer.” The Grantee shall notify the State’s Grant Manager of the inspection date at least fourteen (14) calendar days prior to the inspection in order to provide the State the opportunity to participate in the inspection.
17. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Grant Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By “overnight” delivery service; provided that next-business-day delivery is requested by the sender.

D. By electronic means.

E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.

18. PERFORMANCE EVALUATION. Upon completion of this Grant Agreement, the Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

19. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Grant Agreement are as follows:

Department of Water Resources

Arthur Hinojosa
Manager, Division of Regional Assistance
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 902-6713
Email: Arthur.Hinojosa@water.ca.gov

Santa Cruz Mid-County Groundwater Agency

Ron Duncan
General Manager, Soquel Creek Water District
5180 Soquel Dr.
Soquel, CA 95073
Phone: (831) 475-8500 x144
Email: RonD@soquelcreekwater.org

Direct all inquiries to the Grant Manager:

Department of Water Resources

Angela Cruz
Engineer, Division of Regional Assistance
P.O. Box 942836
Sacramento, CA 94236-0001
Phone: (916) 902-6680
Email: angela.cruz@water.ca.gov

Santa Cruz Mid-County Groundwater Agency

Tim Carson
Program Director
Regional Water Management Foundation
7807 Soquel Dr.
Aptos, CA 95003
Phone: (831) 662-2050
Email: admin@midcountygroundwater.org

Either party may change its Grant Manager, Project Representative, or Project Manager upon written notice to the other party.

20. STANDARD PROVISIONS AND INTEGRATION. This Grant Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

Exhibit A– Work Plan

Exhibit B– Budget

Exhibit C– Schedule

Exhibit D– Standard Conditions

Exhibit E– Authorizing Resolution Accepting Funds

Exhibit F– Report Formats and Requirements

Exhibit G– Requirements for Data Submittal

Exhibit H– State Audit Document Requirements and Funding Match Guidelines for Grantees

Exhibit I– Project Location

Exhibit J– Monitoring and Maintenance Plan Components

Exhibit K– Local Project Sponsors

Exhibit L– Appraisal Specifications

Exhibit M– Information Needed for Escrow Process and Closure

Exhibit N– Project Monitoring Plan Guidance

Exhibit O– Invoice Guidance for Administrative and Overhead Charges

IN WITNESS WHEREOF, the parties hereto have executed this Grant Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Santa Cruz Mid-County Groundwater Agency

Arthur Hinojosa
Manager, Division of Regional Assistance

Ron Duncan
General Manager, Soquel Creek Water District

Date_____

Date_____

Approved as to Legal Form and Sufficiency

_____ for
Robin Brewer
Assistant General Counsel,
Office of the General Counsel

Date_____

Exhibit A

WORK PLAN

Project Title: Santa Cruz Mid-County Groundwater Agency SGMA Implementation – Planning and Projects Grant (Project)

Project Description: The Work Plan includes activities associated with planning, development, and construction of the Santa Cruz Mid-County Groundwater Agency's SGMA Implementation – Planning and Projects Grant (Project), which includes the Cunnison Lane Groundwater Well, the Aquifer Storage and Recovery in the Beltz well field, Park Avenue Transmission Main/Bottleneck Improvements, Technical Development of Project and Management Actions, and the Sustainable Groundwater Management Evaluation and Planning. The Work Plan includes five Components:

- Component 1: Cunnison Lane Groundwater Well
- Component 2: Aquifer Storage and Recovery in the Beltz well field
- Component 3: Park Avenue Transmission Main/Bottleneck Improvements
- Component 4: Technical Development of GSP Projects and Management Actions
- Component 5: Sustainable Groundwater Management Evaluation and Planning

Component 1: Cunnison Lane Groundwater Well

Component 1 will design and construct a groundwater extraction well located on Cunnison Lane and to design the associated groundwater treatment plant. The new well and related infrastructure will improve redundancy and flexibility in the Santa Cruz Mid-County Groundwater Basin's (Basin) water production and distribution system. Component 1 will assist with reducing susceptibility to seawater intrusion by redistributing groundwater extraction and reducing reliance on groundwater extraction from wells near the coast and to further inland. In addition, aims to reduce the groundwater overdraft by complimenting Soquel Creek Water District's groundwater replenishment project, Pure Water Soquel. The new well will have an estimated depth of 500 to 600 feet. Based on groundwater modeling and analyses, this new well could extract an average of 400 acre-feet per year (afy) and serve to redistribute groundwater pumping away from the coast. Component 1 will consist of pumps, motor(s) and piping, treatment plant, and extraction well.

Category (a): Component Administration

Not Applicable to this Component

Category (b): Environmental / Engineering / Design

Issue Request for Proposal(s) (RFP) for a qualified firm(s) to design Component 1. Assist in obtaining all required permits for construction. The CEQA documentation has been prepared and filed with the County Clerk's Office and State Clearinghouse, as required. Submit the CEQA document(s) to the DWR Grant Manager for review and concurrence prior to beginning construction activities. Complete the preliminary design plans and specifications and submit them to the DWR Grant Manager for review prior to completing the final designs. Prepare the final design plans and specifications and construction documents in accordance with the requirements for public bidding for construction and prepare an engineer's estimate. Submit the final design plans and specifications to the DWR Grant Manager for review prior to advertising for bids.

Construction may not begin and no costs for Category (c), until the State has reviewed the CEQA document(s), completed its CEQA responsible agency obligations and given its environmental clearance in accordance with Paragraphs 5 and D.8 of this Agreement. Any costs incurred for Category (c), prior to DWR completing its responsible agency obligations shall not be reimbursed and any such amounts shall be deducted from the total Grant Amount in Paragraph 3.

Deliverables:

- Request for Proposals
- Final design plans and specifications for Groundwater Well for bid documents
- Final design plans and specifications for the Treatment Plant
- Groundwater Well Construction Bid Documentation
- Notice to Proceed
- CEQA documentation and Environmental documents (as applicable)

Category (c): Implementation / Construction

Issue a bid for the construction and development of the groundwater and issue an RFP for a qualified firm to oversee the construction management. Manage the construction to verify completion is on schedule and consistent with the specifications. Summarize construction activity in the quarterly Progress Reports including descriptions of any change orders. Photo-document pre-construction, construction activities log, and post-construction site conditions to include in the associated quarterly Progress Reports. Construct per the final design plans and specifications and as outlined in the awarded contract. Conduct an inspection of the completed Component 1 by a licensed professional and submit a Certification of Completion letter from the licensed professional to ensure that the Component was constructed per the 100% design plans and specifications. Complete the Draft and Final Completion Report.

Deliverables:

- Summaries of activities/photos included in the quarterly Progress Reports
- Certification of completion letter
- Record drawings
- Well completion report
- Draft and Final Component Completion Report

Category (d): Monitoring / Assessment

Not Applicable to this Component

Category (e): Engagement / Outreach

Not Applicable to this Component

Component 2: Aquifer Storage and Recovery, Beltz Well Field

Component 2 includes an Aquifer Storage and Recovery (ASR) project at an existing groundwater well field known as the Beltz well field located in the Santa Cruz Mid-County Groundwater Basin (Basin). Component 2 will enable the injection of excess surface water, treated to drinking water standards, into Basin aquifers for use as an underground storage reservoir that may be extracted during periods of water supply shortages or drought. Basin groundwater elevations are expected to increase with ASR's injection of surface water, which along with continued Basin management, will help to prevent seawater intrusion into the Basin. The ASR well would inject approximately 187,000 - 375,000 gallons per day on average for annual total volume injected of 34 – 68 million gallons. Component 2 will include the installation of pumps, motors, piping, and other infrastructure for a fully functional ASR well.

Category (a): Component Administration

Not Applicable to this Component

Category (b): Environmental / Engineering / Design

Develop and issue Request for Proposals (RFP) for a qualified firm(s) to design Component 2. Procure a design team that will prepare and complete the design of the well and the related site civil infrastructure. Obtain all required permits for Component 2 construction. Prepare the appropriate CEQA documentation and file the document(s) with the County Clerk's Office and State Clearinghouse as required. This project was evaluated in the City's Santa Cruz Water Rights Project Environmental Impact Report certified by the Santa Cruz City Council in December 2021. Complete any additional required CEQA documentation (if needed). Submit the

CEQA document(s) to the DWR Grant Manager for review and concurrence prior to beginning construction activities. Complete the preliminary design plans and specifications and submit them to the DWR Grant Manager for review and concurrence prior to finalizing the design plans and specifications. Prepare the final design plans and specifications and construction documents in accordance with the requirements for public bidding for construction and prepare an engineer's estimate. Submit the final design plans and specifications to the DWR Grant Manager.

Construction may not begin and no costs for Category (c), until the State has reviewed the CEQA document(s), completed its CEQA responsible agency obligations and given its environmental clearance in accordance with Paragraphs 5 and D.8 of this Agreement. Any costs incurred for Category (c), prior to DWR completing its responsible agency obligations shall not be reimbursed and any such amounts shall be deducted from the total Grant Amount in Paragraph 3.

Deliverables:

- CEQA documentation and Environmental documents (as applicable)
- Request for Proposals (as applicable)
- Final design plans and specifications for bidding
- Bid Documentation
- Notice to Proceed

Category (c): Implementation / Construction

Provide construction management and oversight of the ASR well and the related civil infrastructure to verify completion is on schedule and consistent with the specifications. Summarize construction activity in the quarterly Progress Reports including descriptions of any change orders. Photo-document pre-construction, construction activities log, and post-construction site conditions to include in the associated quarterly Progress Reports. Construct Component 2 per the final design plans and specifications and as outlined in the awarded contract. Conduct an inspection of the completed Component 2 by a licensed professional and submit a Certification of Completion letter from the licensed professional to ensure that Component 2 was constructed per the design plans and specifications. Complete the Draft and Final Component Completion Report.

Deliverables:

- Summaries of activities/photos included in the quarterly Progress Reports
- Certification of completion letter
- Record drawings
- Well completion report
- Draft and Final Component Completion Report

Category (d): Monitoring / Assessment

Not applicable to this Component

Category (e) Engagement / Outreach

Not Applicable to this Component

Component 3: Park Avenue Transmission Main/Bottleneck Improvements

Component 3 includes the improvements to the water system infrastructure to enable the redistribution of municipal groundwater pumping within the Basin. The current 1380 linear foot (LF) 8-inch diameter distribution pipeline will be replaced by a 12" diameter PVC transmission pipeline from the existing 12" diameter McGregor transmission main and Pump Station to Subec Lane. The distribution system improvements will increase system reliability and allow more flexibility to reduce groundwater extraction from coastal wells and shift groundwater extraction further inland. The 12" transmission pipeline will be installed via open cut trench method and then backfilled, paved, and brought into service after pressure-testing and commissioning.

Category (a): Component Administration

Not Applicable to this Component

Category (b): Environmental / Engineering / Design

Not Applicable to this Component

Category (c): Implementation / Construction

Conduct activities necessary to develop bid documents and to secure a contractor via a competitive bid process, or provide procurement previously completed. Construct Component 3 per the final design plans and specifications and as outlined in the awarded contract. Manage the construction to verify completion is on schedule and consistent with the specifications. Summarize construction activity in the quarterly Progress Reports including descriptions of any change orders. Photo-document pre-construction, construction activities log, and post-construction site conditions to include in the associated quarterly Progress Reports. Conduct an inspection of the completed Component by a licensed professional and submit a Certification of Completion letter from the licensed professional to ensure that the Component was constructed per the 100% design plans and specifications. Complete the Draft and Final Completion Report.

Deliverables:

- Final design plans and specifications for design-build competitive selection process
- Design-Build Request for Proposals/Qualifications Documents
- Photo documentation pre-construction, construction and post construction to include in the associated quarterly Progress Reports
- Award of Contract
- Notice to Proceed
- Certification of completion letter
- Quarterly Project Reports and Invoices
- Draft and Final Component Completion Report

Category (d): Monitoring / Assessment

Not Applicable to this Component

Category (e): Engagement / Outreach

Not Applicable to this Component

Component 4: Technical Development of GSP Project and Management Actions

Component 4 will conduct analyses and modeling to inform and advance the implementation of selected high priority Projects and Management Actions (PMAs) identified in the GSP. Activities will include data gap analyses; groundwater modeling; hydraulic modeling; water quality analyses within a regional compatibility/optimization assessment; economic analyses; needs assessment on environmental compliance, permitting, water rights, and interagency coordination; and an assessment of operational strategies. Collectively, this work will conduct planning and technical analyses of PMAs identified in the GSP to enable the future implementation of the PMAs to achieve sustainable groundwater management in the Basin. Work will be led by the Soquel Creek Water District, the City of Santa Cruz Water Department, and technical consultants.

Category (a): Component Administration

Not Applicable to this Component

Category (b): Planning / Design / Environmental

Develop and issue Request for Proposals/Qualifications (RFP/Q) or previously hired otherwise engage consultant(s) to support Component 4. Perform a data gap analysis and optimization approach on the selected

PMAAs that will identify tools, methods, and approach to obtaining the information/data needed to advance the future implementation of these projects to inform the approach to be conducted. Conduct the following:

- Groundwater modeling on selected PMAAs, individually or in combination, to understand the ability of the project and management scenarios to meet the GSP goals.
- Hydraulic modeling of operational scenarios to identify deficiencies in either water distribution systems to inform evaluations of a project(s) and/or scenario(s) ability to achieve to the measurable objectives in the GSP.
- An assessment of water quality and regional compatibility/optimization to identify the infrastructure improvements needed to incorporate selected PMAAs into the water systems.
- An economic and financial analyses of selected PMAAs to identify and evaluate funding mechanisms for project(s) implementation.
- A needs assessment on environmental compliance, permitting, water rights, and the interagency coordination requirements necessary to advance selected PMAAs.
- The Component Final Report with a compilation of all the Component activities and an implementation work plan that includes scope, schedule and budgets for the future implementation of the selected PMAAs.

Deliverables:

- Requests For Proposals/Qualifications
- Memorandum on Data Gap Analyses and Optimization Approach and Recommendations
- Memorandum on Groundwater Modeling Findings and Recommendations
- Memorandum on Hydraulic Modeling Findings and Recommendations
- Memorandum on Water Quality and Regional Compatibility/Optimization Findings and Recommendations
- Memorandum on Economic and Financial Analyses Findings and Recommendations
- Memorandum on a Needs Assessment (environmental compliance, permitting, water rights, interagency coordination) Findings and Recommendations
- Draft and Final Report with Recommendations and Implementation/Work Plan
- Quarterly Project Reports and Invoices
- Draft and Final Grant Component Completion Report

Category (c): Implementation / Construction

Not applicable to this Component

Category (d): Monitoring / Assessment

Not applicable to this Component

Category (e): Engagement / Outreach

Not applicable to this Component

Component 5: Sustainable Groundwater Management Evaluation and Planning

Component 5 includes planning, monitoring, and reporting activities to advance SGMA efforts in the Santa Cruz Mid-County Groundwater Basin. These activities will inform assessments of progress towards achieving sustainability in the Basin and Basin planning and reporting activities required under SGMA.

Category (a): Component Administration

Provide oversight and coordination of consultants/contractors and compliance with this Agreement. Prepare and submit supporting grant documents to DWR. Prepare invoices including relevant supporting

documentation for submittal to DWR. Perform administrative responsibilities associated with Component 5 including coordinating with the participating agencies and organizations and oversight and management of consultants/contractors. Prepare progress reports detailing work completed during reporting period as outlined in Exhibit F of this Agreement. Submit reports to DWR. Prepare Project Completion Report and submit to DWR no later than 90 days after project completion for DWR Project Manager's comment and review. The report shall be prepared and presented in accordance with guidance as outlined in Exhibit F.

Deliverables:

- Invoices and associated backup documentation
- Quarterly Project Progress Reports
- Draft and Final Component Completion Report

Category (b): Planning / Design / Environmental

Not applicable to this Component

Category (c): Implementation / Construction

Not applicable to this Component

Category (d): Monitoring / Assessment

Collect monitoring data related to the Sustainable Management Criteria (SMC) metrics used to evaluate Basin conditions over time consistent with the Groundwater Sustainability Plan. Activities will include:

- Conduct an offshore airborne electromagnetic (AEM) survey to inform the status of seawater intrusion in the upper aquifers near shore off the coast of the Basin
- Conduct streamflow monitoring to inform evaluations of SMC for the depletion of interconnected surface water is based on the shallow well and associated streamflow data
- Implement the non-de minimis groundwater usage metering program including the purchase/installation of meters and management of the program
- Implement and operate of the DMS and the associated web-based platform to manage, access, retrieve and display Basin monitoring data. Expenses include site hosting.

Coordinate, plan, and report activities that support compliance with SGMA. Conduct the necessary planning and coordination activities to implement the GSP. Conduct planning and regular coordination with Member Agencies, DWR, stakeholders interested parties, and adjacent GSAs in carrying out planning activities for the successful implementation of the GSP. Interact and coordinate with contractors/consultants conducting activities as part of the GSP implementation. Track the progress of the Projects and Management Actions (PMAs) identified in the GSP. Identify and assess potential approaches and mechanisms to generate funding necessary for the operation of the Santa Cruz Mid-County Groundwater Agency (MGA) and implementation of the GSP. Assess and evaluate the authorities over groundwater management granted under SGMA. Evaluate, recommend, and coordinate, as applicable, the preparation and adoption of ordinances or other mechanisms by which to adopt these authorities. Develop processes to implement and enforce these authorities, if applicable. Complete the first 5-year GSP update in accordance with SGMA regulations and DWR requirements for submitted to the DWR SGMA Portal by January 2025. Complete the 2022, 2023, and 2024 GSP Annual Reports for submittal to the DWR SGMA Portal by April of each associated year.

Deliverables:

- AEM Survey Results Report
- Annual streamflow monitoring summary presentation to the MGA Board
- Annual summary table of non-de minimis groundwater usage metering program activity
- Basin monitoring data
- Annual Work Plan on SGMA Planning and Coordination

- Annual PMA implementation status summary presentation to the MGA Board
- Memorandum on funding approaches for GSA operations and PMAs implementation
- Memorandum on authorities over groundwater management
- GSP update 2025
- Annual GSP Reports for 2022, 2023, and 2024

Category (e): Engagement / Outreach

Not applicable to this Component

Exhibit B
BUDGET

Grant Title: Santa Cruz Mid-County Groundwater Agency SGMA Implementation – Planning and Projects Grant

Grantee: Santa Cruz Mid-County Groundwater Agency

Components	Grant Amount
Component 1: Cunnison Lane Groundwater Well	\$1,675,000
Component 2: Aquifer Storage and Recovery, Beltz Wellfield	\$1,650,000
Component 3: Park Avenue Transmission Main/Bottleneck Improvements	\$800,000
Component 4: Technical Development of GSP Projects and Management Actions	\$1,900,000
Component 5: Sustainable Groundwater Management Evaluation and Planning	\$1,575,000
Total:	\$7,600,000

Component 1: Cunnison Lane Groundwater Well

Component serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(Check all that apply): ☐DAC, ☐SDAC, ☐Tribe, and/or ☐Underrepresented Community

Budget Categories	Grant Amount
(a) Grant Agreement Administration	\$0
(b) Environmental / Engineering / Design	\$700,000
(c) Implementation / Construction	\$975,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
Total:	\$1,675,000

Component 2: Aquifer Storage and Recovery, Beltz Wellfield

Component 2 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(Check all that apply): ☐DAC, ☐SDAC, ☐Tribe, and/or ☐Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$0
(b) Environmental / Engineering / Design	\$200,000
(c) Implementation / Construction	\$1,450,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
Total:	\$1,650,000

Component 3: Park Avenue Transmission Main/Bottleneck Improvements

Component 3 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(Check all that apply): ☐DAC, ☐SDAC, ☐Tribe, and/or ☐Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$0
(b) Environmental / Engineering / Design	\$0
(c) Implementation / Construction	\$800,000
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
Total:	\$800,000

Component 4: Technical Development of GSP Projects and Management Actions

Component 4 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(Check all that apply): ☐DAC, ☐SDAC, ☐Tribe, and/or ☐Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$0
(b) Planning / Design / Environmental	\$1,900,000
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$0
(e) Engagement / Outreach	\$0
Total:	\$1,900,000

Component 5: Sustainable Groundwater Management Evaluation and Planning

Component 5 serves a need of a DAC, SDAC, Tribe and/or Underrepresented Community?

(Check all that apply): ☐DAC, ☐SDAC, ☐Tribe, and/or ☐Underrepresented Community

Budget Categories	Grant Amount
(a) Component Administration	\$78,750
(b) Planning / Design / Environmental	\$0
(c) Implementation / Construction	\$0
(d) Monitoring / Assessment	\$1,496,250
(e) Engagement / Outreach	\$0
Total:	\$1,575,000

Exhibit C
SCHEDULE

Grant Title: Santa Cruz Mid-County Groundwater Agency SGMA Implementation – Planning and Projects Grant (Project)

Categories	Start Date¹	End Date¹
Component 1: Cunnison Lane Groundwater Well	07/01/2022	12/31/2024
(a) Component Administration	NA	NA
(b) Environmental / Engineering / Design	07/01/2022	12/31/2024
(c) Implementation / Construction	07/01/2023	12/31/2024
(d) Monitoring / Assessment	NA	NA
(e) Education / Outreach	NA	NA
Component 2: Aquifer Storage and Recovery, Beltz Well Field	07/01/2022	03/31/2025
(a) Component Administration	NA	NA
(b) Environmental / Engineering / Design	07/01/2022	03/31/2025
(c) Implementation / Construction	07/01/2022	03/31/2025
(d) Monitoring / Assessment	NA	NA
(e) Education / Outreach	NA	NA
Component 3: Park Avenue Transmission Main/Bottleneck Improvements	02/01/2022	12/31/2023
(a) Component Administration	NA	NA
(b) Environmental / Engineering / Design	NA	NA
(c) Implementation / Construction	02/01/2022	12/31/2023
(d) Monitoring / Assessment	NA	NA
(e) Education / Outreach	NA	NA
Component 4: Technical Development of GSP Project and Management Actions	07/01/2022	03/31/2025
(a) Component Administration	NA	NA
(b) Planning / Design / Environmental	07/01/2022	03/31/2025
(c) Implementation / Construction	NA	NA
(d) Monitoring / Assessment	NA	NA
(e) Education / Outreach	NA	NA

Component 5: Sustainable Groundwater Management Evaluation and Planning	07/01/2022	03/31/2025
(a) Component Administration	07/01/2022	03/31/2025
(b) Planning / Design / Environmental	NA	NA
(c) Monitoring / Assessment	NA	NA
(d) Monitoring / Assessment	07/01/2022	03/31/2025
(e) Education / Outreach	NA	NA

NOTES:

¹Exhibit C Schedule only dictates the work start date and the work end date for the Budget Category listed. The Grantee must adhere to the Deliverable Due Date Schedule that has been approved by the DWR Grant Manager. The dates listed in Exhibit C Schedule are date ranges that correlates to the Deliverable Due Date Schedule. Eligible costs for each line item will only be approved if the work completed falls within the date ranges listed in Exhibit C.

Exhibit D**STANDARD CONDITIONS****D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- A. **Separate Accounting of Funding Disbursements:** the Grantee shall account for the money disbursed pursuant to this Grant Agreement separately from all other Grantee funds. The Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. The Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Grant Agreement shall be deposited in a non-interest bearing account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** The Grantee shall remit to the State any unexpended funds that were disbursed to the Grantee under this Grant Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from the State to the Grantee of funds or, within thirty (30) calendar days of the expiration of the Grant Agreement, whichever comes first.

D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: The Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Grant Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the Budget Act of 2021 and through an agreement with the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.

D.3. AMENDMENT: This Grant Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2, "Term of Grant Agreement." The State shall have no obligation to agree to an amendment.

D.4. AMERICANS WITH DISABILITIES ACT: By signing this Grant Agreement, the Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. AUDITS: The State reserves the right to conduct an audit at any time between the execution of this Grant Agreement and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grantee to conduct a final audit to the State's specifications, at the Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may elect to pursue any remedies provided in Paragraph 10, "Default Provisions" or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Grant Agreement with respect of all matters connected with this Grant Agreement, including but not limited to, the cost of administering this Grant Agreement. All records of the Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. BUDGET CONTINGENCY: If the Budget Act of the current year covered under this Grant Agreement does not appropriate sufficient funds for this program, this Grant Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State to make any payments under this Grant Agreement. In this event, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement and the Grantee shall not be obligated to perform any provisions of this Grant Agreement. Nothing in this Grant Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Grant Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Grant Agreement with no liability occurring to the State, or offer a Grant Agreement amendment to the Grantee to reflect the reduced amount.
- D.7. CALIFORNIA CONSERVATION CORPS: The Grantee may use the services of the California Conservation Corps or other community conservation corps as defined in Public Resources Code section 14507.5.
- D.8. CEQA: Activities funded under this Grant Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the DWR Grant Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once the State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with Paragraph 10, "Default Provisions."
- D.9. CHILD SUPPORT COMPLIANCE ACT: The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Grantee, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.10. CLAIMS DISPUTE: Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. The State and the Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.
- D.11. COMPETITIVE BIDDING AND PROCUREMENTS: The Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by the State under this Grant Agreement must be in writing and shall comply with all applicable laws and regulations

regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.

- D.12. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Grant Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.13. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. **Employees and Consultants to the Grantee:** Individuals working on behalf of a Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.14. **DELIVERY OF INFORMATION, REPORTS, AND DATA:** The Grantee agrees to expeditiously provide throughout the term of this Grant Agreement, such reports, data, information, and certifications as may be reasonably required by the State.
- D.15. **DISPOSITION OF EQUIPMENT:** The Grantee shall provide to the State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by the State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory the State shall provide the Grantee with a list of the items on the inventory that the State will take title to. All other items shall become the property of the Grantee. The State shall arrange for delivery from the Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by the State.
- D.16. **DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Grant Agreement, the Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. The Grantee's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Grant Agreement:
 - i. Will receive a copy of the Grantee's drug-free policy statement, and
 - ii. Will agree to abide by terms of the Grantee's condition of employment, contract or subcontract.
- D.17. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Grant Agreement, an appropriate easement or other title restriction shall be provided and approved by the State. The easement or other title restriction must be in first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.
- Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.
- Failure to provide an easement acceptable to the State may result in termination of this Agreement.
- D.18. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, the Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Grant Agreement.
- D.19. GRANTEE'S RESPONSIBILITIES: The Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A, "Work Plan" and in accordance with Project Exhibit B, "Budget" and Exhibit C, "Schedule".
 - B. Must maintain eligibility requirements as outlined in the 2021 Guidelines and 2021 PSP and pursuant to Paragraph 11.
 - C. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Grant Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
 - D. Comply with all applicable California, federal, and local laws and regulations.
 - E. Implement the Project in accordance with applicable provisions of the law.
 - F. Fulfill its obligations under the Grant Agreement and be responsible for the performance of the Project.

- G. Obtain any and all permits, licenses, and approvals required for performing any work under this Grant Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. The Grantee shall provide copies of permits and approvals to the State.
- H. Be solely responsible for design, construction, and operation and maintenance of projects within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by the State is solely for the purpose of proper administration of funds by the State and shall not be deemed to relieve or restrict responsibilities of the Grantee under this Agreement.
- I. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.20. GOVERNING LAW: This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.21. INCOME RESTRICTIONS: The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement. The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this paragraph.
- D.22. INDEMNIFICATION: The Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, and any breach of this Agreement. The Grantee shall require its contractors or subcontractors to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.
- D.23. INDEPENDENT CAPACITY: The Grantee, and the agents and employees of the Grantees, in the performance of the Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.24. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Grant Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Grant Agreement. Failure or refusal by the Grantee to comply with this provision shall be considered a breach of this Grant Agreement, and the State may withhold disbursements to the Grantee or take any other action it deems necessary to protect its interests.
- D.25. INSPECTIONS OF PROJECT BY STATE: The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement. This right shall extend to any subcontracts, and the Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Grant Agreement with the State.
- D.26. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation

or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.

- D.27. **MODIFICATION OF OVERALL WORK PLAN:** At the request of the Funding Recipient, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C which concern the budget and schedule without formally amending this Funding Agreement (Level I – Informal). Non-material changes with respect to work plan are changes that help clarify the original language, addition of task without deleting others, and minor edits that will not result in change to the original scope. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Funding Recipient to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.28. **NONDISCRIMINATION:** During the performance of this Grant Agreement, the Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medial and family care leave or pregnancy disability leave. The Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated there under (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing are incorporated into this Agreement by reference. The Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
- D.29. **OPINIONS AND DETERMINATIONS:** Where the terms of this Grant Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.30. **PERFORMANCE BOND:** Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.31. **PRIORITY HIRING CONSIDERATIONS:** If this Grant Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.32. **PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION:** The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with the Grantee's service of water, without prior permission of the State. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and

assessments that could adversely affect the ability of the Grantee meet its obligations under this Grant Agreement, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State.

- D.33. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.34. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Grant Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed and any remaining balance will be disencumbered and unavailable for further use under this Grant Agreement.
- D.35. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Grant Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.
- D.37. RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Grant Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Grant Agreement, subject to appropriate acknowledgement of credit to the State for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this paragraph for any public purpose.
- D.38. SEVERABILITY: Should any portion of this Grant Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Grant Agreement shall continue as modified.
- D.39. SUSPENSION OF PAYMENTS: This Grant Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. The Grantee, its contractors, or subcontractors have made a false certification, or
 - B. The Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Grant Agreement.
- D.40. SUCCESSORS AND ASSIGNS: This Grant Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Grant Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.
- D.41. TERMINATION BY THE GRANTEE: Subject to State approval which may be reasonably withheld, the Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, the Grantee must provide a reason(s) for termination. The Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.42. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 10, "Default Provisions," the State may terminate this Grant Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Grant Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 10, "Default Provisions."

- D.43. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.44. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.45. TIMELINESS: Time is of the essence in this Grant Agreement.
- D.46. UNION ORGANIZING: The Grantee, by signing this Grant Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Grant Agreement. Furthermore, the Grantee, by signing this Grant Agreement, hereby certifies that:
- A. No State funds disbursed by this Grant Agreement will be used to assist, promote, or deter union organizing.
 - B. The Grantee shall account for State funds disbursed for a specific expenditure by this Grant Agreement to show those funds were allocated to that expenditure.
 - C. The Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If the Grantee makes expenditures to assist, promote, or deter union organizing, the Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that the Grantee shall provide those records to the Attorney General upon request.
- D.47. VENUE: The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.48. WAIVER OF RIGHTS: None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Grant Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Grant Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

Exhibit E
AUTHORIZING RESOLUTION ACCEPTING FUNDS



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

midcountygwagency.org • 5180 Sequoia Drive • San Jose, CA 95073

December 16, 2021

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

RESOLUTION NO. 21-04

Resolved by the Santa Cruz Mid-County Groundwater Agency, that an application be made to the California Department of Water Resources to obtain a grant under the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Round 1 Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) (Pub. Resource Code, § 80000 et seq.) and the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80) and to enter into an agreement to receive a grant for the: *Santa Cruz Mid-County Groundwater Agency SGMA Implementation – Planning and Projects Grant*. The Board Chair of the Santa Cruz Mid-County Groundwater Agency, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement and any future amendments (if required), submit invoices, and submit any reporting requirements with the California Department of Water Resources. Passed and adopted at a meeting of the Santa Cruz Mid-County Groundwater Agency on December 16, 2021.

BY ROLL CALL VOTE

AYES: *Abramson, Jaffe, Kennedy, Kerr, Koenig, LaHue, Romanini, Benich (Alternate), Engfer (Alternate), Violante (Alternate)*

NOES: *None*

ABSENT: *Directors Baskin (Engfer as Alternate), Friend (Violante as Alternate), and Marani (Benich as Alternate)*

Authorized Original Signature:

DocuSigned by:

0FBAF8748E6341D...

Printed Name: Dr. Thomas LaHue

Title: Board Chair

Clerk/Secretary: Mr. Jim Kerr



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

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

September 8, 2022

Ms. Angela Cruz
Department of Water Resources
Water Resources Engineer, Division of Regional Assistance
Sacramento, CA 94236-0001
Sent via email to: Angela.Cruz@water.ca.gov

Re: Sustainable Groundwater Management Grant Program SGMA Implementation Round 1
Agreement No. 4600014636 - Santa Cruz Mid-County Groundwater Agency Designation

Dear Ms. Cruz:

I, Thomas LaHue, as Board Chair of Santa Cruz Mid-County Groundwater Agency, authorize the General Manager of Soquel Creek Water District, Ron Duncan, as my designee for the Sustainable Groundwater Management Grant Program Implementation Round 1 Agreement No. 4600014636. Under this designation, Mr. Duncan is hereby authorized and directed to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement and any future amendments (if required), submit invoices, and submit any reporting requirements to the California Department of Water Resources related to Agreement No. 4600014636.

Mr. Duncan's contact information is:

Santa Cruz Mid-County Groundwater Agency
Ron Duncan
General Manager, Soquel Creek Water District
5180 Soquel Drive
Soquel, CA 95073
Phone: (831) 475-8500
E-mail: RonD@soquelcreekwater.org

It is understood that the designee may be changed upon written notice to the Department of Water Resources.

Sincerely,

Thomas L. LaHue
MGA Board Chair

Exhibit F**REPORT FORMATS AND REQUIREMENTS**

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

1. QUARTERLY PROGRESS REPORTS

A Quarterly Progress Report template will be provided by the DWR Grant Manager. Grantees must use the template provided for all Quarterly Progress Reports to obtain reimbursement reported. The Quarterly Progress Report must accompany an Invoice and be numbered the same for ease of reference for auditing purposes. In addition, the reporting period for the Quarterly Progress Report must also align with the corresponding quarterly Invoice.

2. COMPONENT COMPLETION REPORT

Component Completion Reports shall generally use the following format. This report should summarize all work completed as part of this grant. This is standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Grant Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the Grant Agreement (e.g., 100-year level of flood protection, HMP standard, PI-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

COSTS AND DISPOSITION OF FUNDS – A list of showing:

- The date each invoice was submitted to the State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Grant Agreement.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession and reason for consultant, i.e., design, CEQA work, etc.
 - Evaluation cost information, shown by material, equipment, labor costs, and any change orders
 - Any other incurred cost detail

- A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

3. GRANT COMPLETION REPORT

The Grant Completion Report shall generally use the following format. This report should summarize all work completed as part of this grant. This is standalone document and should not reference other documents or websites. Web links are edited or removed over time. These grants can be audited several years after they are closed. Therefore, links are not appropriate to include in the close out reports.

- Executive Summary: consisting of a maximum of ten (10) pages summarizing information for the grant as well as the individual projects.
- Brief discussion whether the level, type, or magnitude of benefits of each project are comparable to the original project proposal; any remaining work to be completed and mechanism for their implementation; and a summary of final funds disbursement for each project.

Additional Information: Summary of the submittal schedule for the Post Performance Reports applicable for the projects in this Grant Agreement.

4. POST-PERFORMANCE REPORT

The Post Performance Report (PPR) should be concise and focus on how each project is performing compared to its expected performance. The PPR should be following the Methodology Report for the specific project type(s) provided by the DWR Grant Manager. The PPR should identify whether the project is being operated and maintained. DWR requirements is for all funded projects should be maintained and operated for a minimum of 15 years. If the project is not being maintained and operated, justification must be provided. A PPR template may be provided by the assigned DWR Grant Manager upon request. The PPR should follow the general format of the template and provide requested information as applicable. The following information, at a minimum, shall be provided:

Reports and/or products

- Header including the following:
 - Grantee Name
 - Implementing Agency (if different from Grantee)
 - Grant Agreement Number
 - Project Name
 - Funding grant source
 - Report number
- Post Performance Report schedule
- Time period of the annual report (e.g., January 2018 through December 2018)
- Project Description Summary
- Discussion of the project benefits
- An assessment of any differences between the expected versus actual project benefits as stated in the original application. Where applicable, the reporting should include quantitative metrics (e.g., new acre-feet of water produced that year, etc.).
- Summary of any additional costs and/or benefits deriving from the project since its completion, if applicable.
- Any additional information relevant to or generated by the continued operation of the project.

Exhibit G**REQUIREMENTS FOR DATA SUBMITTAL****Surface and Groundwater Quality Data:**

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in project reports, as described in Exhibit G, "Requirements for Data Submittal."

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website: <http://www.ceden.org>.

If a project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at: https://www.waterboards.ca.gov/water_issues/programs/gama/. If further information is required, the Grantee can contact the State Water Resources Control Board (SWRCB) GAMA Program. A listing of SWRCB staff involved in the GAMA program can be found at: https://www.waterboards.ca.gov/water_issues/programs/gama/contact.shtml.

Groundwater Level Data

For each project that collects groundwater level data, the Grantee will need to submit this data to DWR's Water Data Library (WDL), with a narrative description of data submittal activities included in project reports, as described in Exhibit F, "Report Formats and Requirements." Information regarding the WDL and in what format to submit data in can be found at: <http://www.water.ca.gov/waterdatalibrary/>.

Exhibit H**STATE AUDIT DOCUMENT REQUIREMENTS**

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and the Grantee's Local Cost Share and details the documents/records that State Auditors would need to review in the event of this Grant Agreement is audited. Grantees should ensure that such records are maintained for each funded project.

State Audit Document RequirementsInternal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A listing of all bond-funded grants, loans, or subventions received from the State.
3. A listing of all other funding sources for each Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Grant Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

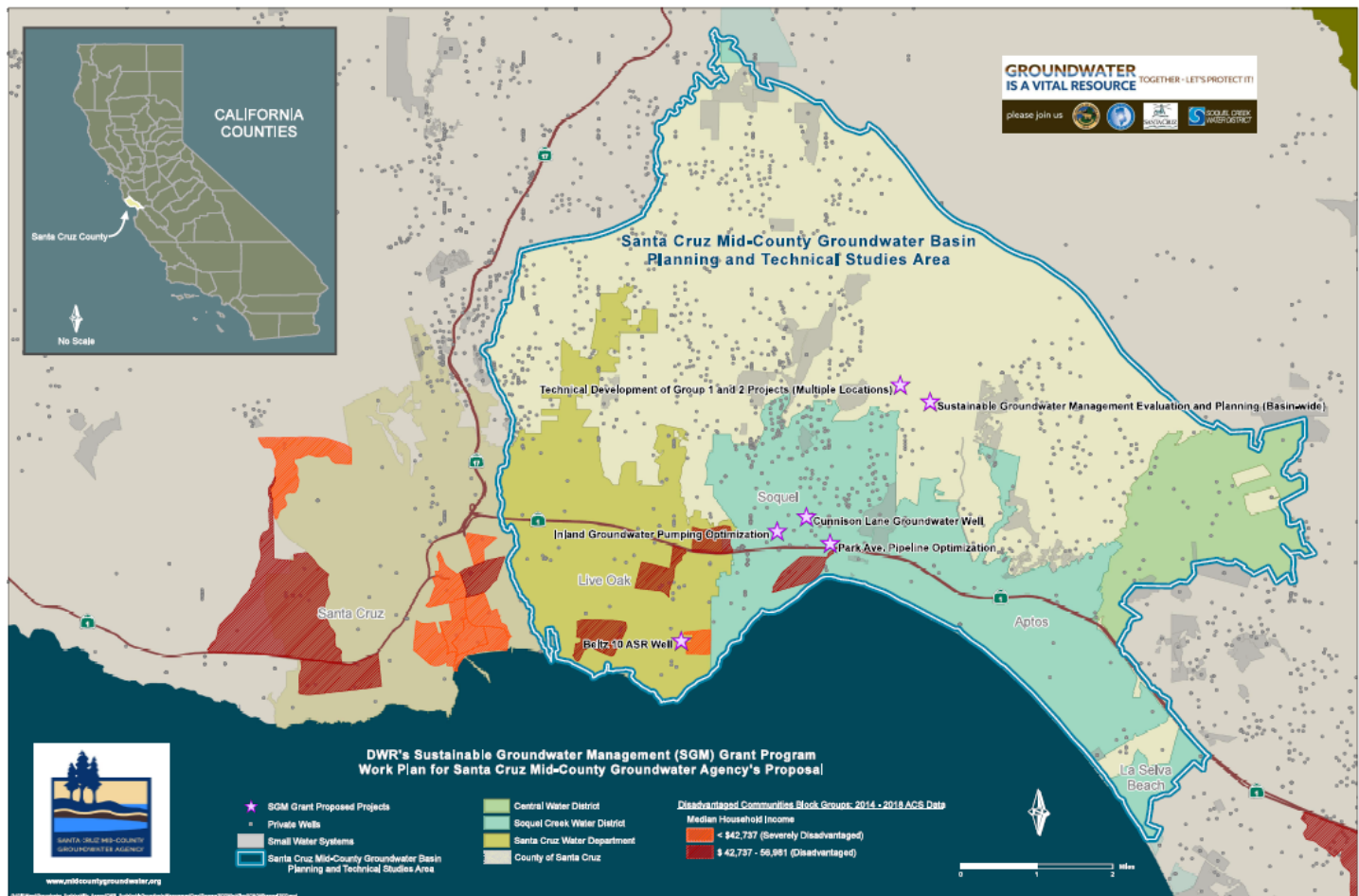
1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Grant Agreement related correspondence.

Exhibit I

PROJECT LOCATION



Grantee: Santa Cruz Mid-County Groundwater Agency

Address: 5180 Soquel Dr, Soquel, CA 95073

Component 1: Cunnison Lane Groundwater Well

Lead Agency: Soquel Creek Water District

Agency Address: 5180 Soquel Dr, Soquel, CA 95073

Project Location: 36.98990, -121.94252

Component 2: Aquifer Storage and Recovery, Beltz Wellfield

Lead Agency: City of Santa Cruz Water Department

Agency Address: 212 Locust Street Suite C Santa Cruz CA 95060

Project Location: 36.96527, -121.97080

Component 3: Park Avenue Transmission Main/Bottleneck Improvements

Lead Agency: Soquel Creek Water District

Agency Address: 5180 Soquel Dr, Soquel, CA 95073

Project Location: 36.98465, -121.93634

Component 4: Technical Development of GSP Projects and Management Actions

Lead Agencies: Soquel Creek Water District and City of Santa Cruz Water Department

Agency Address: See above

Project Location: 37.01465, -121.91975

Component 5: Sustainable Groundwater Management Evaluation and Planning

Lead Agencies: Santa Cruz Mid-County Groundwater Agency and County of Santa Cruz

Agency Address: 5180 Soquel Dr, Soquel, CA 95073 (Mid-County)

Agency Address: 701 Ocean St, Santa Cruz, CA 95060 (County of Santa Cruz)

Project Location: 37.01164, -121.91271

Exhibit J

MONITORING AND MAINTENANCE PLAN COMPONENTS

Introduction

- Goals and objectives of project
- Site location and history
- Improvements implemented

Detailed monitoring methods and protocols specific to the components listed in Exhibit A will be provided by the Grant Manager later. The full monitoring method report is available on the SGM Grant Program website at: www.water.ca.gov/sgmgrants.

Exhibit K
LOCAL PROJECT SPONSORS

Soquel Creek Water District

City of Santa Cruz Water Department

Santa Cruz County, Environmental Health

Exhibit L**APPRAISAL SPECIFICATIONS**

For property acquisitions funded this Grant Agreement, the Grantee must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the State. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
 - a) For sales, include information on grantor/Grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
 - b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
 - c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.

27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.
34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
 - a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
 - b) Analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

Exhibit M**INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE**

The Grantee must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Grant Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

EXHIBIT N

PROJECT MONITORING PLAN GUIDANCE

Introduction

For each project contained in Exhibit A, please include a brief description of the project (maximum ~150 words) including project location, implementation elements, need for the project (what problem will the project address) and responds to the requirements listed below.

Project Monitoring Plan Requirements

Detailed monitoring methods and protocols specific to the components listed in Exhibit A will be provided by the Grant Manager later. The full monitoring method report is available on the SGM Grant Program website at: www.water.ca.gov/sgmgrants.

EXHIBIT O

INVOICE GUIDANCE FOR ADMINISTRATIVE AND OVERHEAD CHARGES

The funds provided pursuant to this Agreement may only be used for costs that are directly related to the funded Project. The following provides a list of typical requirements for invoicing, specifically providing guidance on the appropriate methods for invoicing administrative and direct overhead charges.

Administration Charges

Indirect and General Overhead (i.e., indirect overhead) charges are not an allowable expense for reimbursement. However, administrative expenses that are apportioned directly to the project are eligible for reimbursement. Cost such as rent, office supplies, fringe benefits, etc. can be "Direct Costs" and are eligible expenses as long as:

- There is a consistent, articulated method for how the costs are allocated that is submitted and approved by the Grant Manager. The allocation method must be fully documented for auditors.
- A "fully-burdened labor rate" can be used to capture allowable administrative costs.
- The administrative/overhead costs can never include:
 - Non-project specific personnel and accounting services performed within the Grantee or an LPS' organization
 - Generic markup
 - Tuition
 - Conference fees
 - Building and equipment depreciation or use allowances
- Using a general overhead percentage is never allowed

Labor Rates

The Grantee must provide DWR with supporting documentation for personnel hours (see personnel billing rates letter in example invoice packet). The personnel rate letter should be submitted to the DWR Grant Manager prior to submittal of the first invoice. The supporting documentation must include, at a minimum, employee classifications that will be reimbursed by grant funds and the corresponding hourly rate range. These rates should be "burdened"; the burdened rate must be consistent with the Grantee's/Local Project Sponsors standardized allocation methodology. The supporting documentation should also provide an explanation of what costs make up the burdened rate and how those costs were determined. This information will be used to compare against personnel hours summary table invoice back up documentation. Periodic updates may be needed during the life of the grant which would be handled through a revised billing rate letter.

Certificate Of Completion

Envelope Id: 38C2CDAF2A9A48FB8E2E4F4568478471

Status: Sent

Subject: Please DocuSign: 4600014636 Agreement

FormID:

Source Envelope:

Document Pages: 48

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 0

Marisol Chavez

AutoNav: Enabled

715 P Street

Envelopeld Stamping: Enabled

Sacramento, CA 95814

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Marisol.Chavez@water.ca.gov

IP Address: 136.200.53.18

Record Tracking

Status: Original

Holder: Marisol Chavez

Location: DocuSign

9/1/2022 3:23:16 PM

Marisol.Chavez@water.ca.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: Department of Water Resources

Location: DocuSign

Signer Events**Signature****Timestamp**

Carmel Brown

Completed

Sent: 9/1/2022 3:30:55 PM

Carmel.Brown@water.ca.gov

Viewed: 9/1/2022 3:39:56 PM

Financial Assistance Branch Manager/Program Manager

Using IP Address: 166.137.163.61

Signed: 9/1/2022 3:40:10 PM

Department of Water Resources

Signed using mobile

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Ron Duncan

RonD@soquelcreekwater.org

Security Level: Email, Account Authentication (None)

Ron Duncan

Sent: 9/2/2022 9:19:53 AM

Viewed: 9/2/2022 9:42:06 AM

Signed: 9/2/2022 9:42:23 AM

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Electronic Record and Signature Disclosure:

Accepted: 4/27/2021 5:04:43 PM

ID: c4d81e84-070d-4485-8024-1f285813e1e4

James Herink

James.Herink@water.ca.gov

Attorney IV

Department of Water Resources

Security Level: Email, Account Authentication (None)

Sent: 9/2/2022 9:42:26 AM

Viewed: 9/2/2022 1:49:12 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Arthur Hinojosa

Arthur.Hinojosa@water.ca.gov

Security Level: Email, Account Authentication (None)

Electronic Record and Signature Disclosure:

Accepted: 2/13/2019 12:04:01 PM

ID: 06486c94-6b1f-485f-a887-d0624ad04d23

In Person Signer Events**Signature****Timestamp**

Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Tim Carson admin@midcountygroundwater.org Security Level: Email, Account Authentication (None)	<div>VIEWED</div> Using IP Address: 67.180.163.161	Sent: 9/1/2022 3:40:12 PM Viewed: 9/2/2022 9:19:53 AM
Electronic Record and Signature Disclosure: Accepted: 9/2/2022 9:19:53 AM ID: c1a7b078-86b3-4512-8886-e2f9204ce291		
Carbon Copy Events	Status	Timestamp
Angela Cruz Angela.Cruz@water.ca.gov Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/1/2022 3:30:55 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Department of Water Resources (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Department of Water Resources:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

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Sacramento, CA 95236-0001

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Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account

Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> • Allow per session cookies • Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

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September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.3

Title: Provide Guidance and Authorize Policy Framework to Respond to Well Permit Applications Under Executive Order N-7-22

Attachments:

1. County Executive Order Compliance Document and GSA Approval Form

Recommended Board Action: Finalize and approve Policy Framework and authorize staff to finalize a policy, effective immediately, to respond to MGA responsibilities under Executive Order N-7-22.

Background:

On March 28, 2022, Governor Gavin Newsom signed Executive Order N-7-22 (Executive Order) in response to extreme and expanding drought conditions. The Executive Order, effective immediately, prohibits Santa Cruz County Environmental Health from issuing a permit for any new non-*de minimis* groundwater well pursuant to Chapter 7 of the Santa Cruz County Code unless certain requirements are met or the permit falls within the limited exception to the requirements. [A complete copy of the Executive Order is available here](#) (see Paragraph 9). Wells for public water systems are exempt from these conditions. The Executive Order remains in effect until drought conditions improve and the Governor determines it is no longer needed.

At the August 18, 2022, Board meeting, staff presented a form developed by Santa Cruz County Environmental Health for qualifying well permits in compliance with Paragraph 9 of the Executive Order. The MGA is required to review and sign this form before Environmental Health can issue a well permit. The Board was asked to discuss the options for how the MGA should proceed when it receives a qualifying well applications requiring MGA approval. Following a preliminary discussion of Board questions and concerns, the Board directed staff to bring suggestions back to the Board for further discussion

Discussion:

As the Board does not meet again until December, and the Executive Order is currently in effect, Staff is recommending that the Board provide guidance on the items below and authorize staff to finalize and implement a policy based on that guidance, which would go into effect immediately.

It is understood that Environmental Health will do a complete review of the permit application to ensure consistency with the County code and receipt of a sufficient analysis of impacts to neighboring wells prior to sending the application to the MGA.

The MGA will inform Environmental Health that the new well permit applications should be directed to the Senior Planner.

MGA Policy Framework:

- 1) The Planner will review the application. The Planner can request additional information from either Environmental Health or the applicant if necessary, and will ultimately be the representative. The process for determination will be as follows:

- a) For small volume replacement wells:

IF the application is for a replacement well (as defined by Environmental Health in the well application paperwork)

AND the well will be drilled at the same depth or deeper than the existing well

AND the total water expected to be pumped will be under 10 AFY

THEN the Planner can recommend approval, indicating that the well is NOT inconsistent with the GSP.

The Planner will notify the Executive Team of his decision and if no one objects, the Planner will return the signed form to Environmental Health.

- b) For large volume replacement wells:

IF the application is for a replacement well (as defined by Environmental Health in the well application paperwork)

AND the well will be drilled at the same depth or deeper than the existing well

AND the total water expected to be pumped will be over 10 AFY

THEN the Planner can recommend approval, indicating that the well is NOT inconsistent with the GSP.

The Planner will present the recommendation to the Board at the next possible Board meeting for their final approval along with any mitigations they recommend. The Planner will then return the signed form to Environmental Health.

- c) For any new wells replacing an existing water source:

IF the application is for a new well (as defined by Environmental Health in the well application paperwork)

AND the well will be used to offset an existing water use (municipal, surface water diversion, spring) that also originates from within the Basin

THEN the Planner can make a discretionary decision about whether the application is inconsistent with the GSP.

The Planner will present the recommendation to the Board at the next possible Board meeting for their final approval along with any mitigations they recommend. The Planner will then return the signed form to Environmental Health.

d) For any new wells representing a new water use:

IF the application is for a new well (as defined by Environmental Health in the well application paperwork)

AND the well will create a new use of water in any amount

THEN the Planner can recommend indicating that the well IS inconsistent with the GSP.

The Planner will present the recommendation to the Board at the next possible Board meeting for their final approval. The Planner will then return the signed form to Environmental Health.

e) If the Board believes additional analysis is required:

For any application brought to the Board, the Board can direct the Planner to request the additional information from the applicant or Environmental Health and return with that information at the next meeting.

- 2) The applicant can attend the Board meeting at which their well application will be discussed. Given that they can make comments to the Board, and the Board will be making the final decision for any applications found to be inconsistent with the GSP, there will not be a process for appeals.
- 3) With the limited alternatives proposed in Step 1 a-d, the information provided by Environmental Health for each application, and the expectation that the MGA will not receive many applications, staff does not think that there will need to be a cost recovery method at this time.

Recommended Board Action:

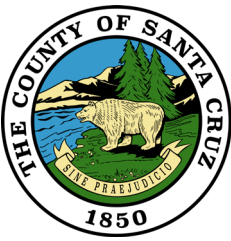
1. BY MOTION, finalize and approve Policy Framework and authorize staff to finalize a policy, effective immediately, to respond to MGA responsibilities under Executive Order N-7-22.

Submitted by Sierra Ryan

On behalf of the MGA Executive Staff

Ron Duncan, General Manager, Soquel Creek Water District

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



County of Santa Cruz

Health Services Agency - Environmental Health

701 Ocean Street, Room 312, Santa Cruz, CA 95060
 (831) 454-2022 TDD/TTY - Call 711 <http://www.scceh.org>
EnvironmentalHealth@santacruzcounty.us



New Procedures Implementing Requirements Under Executive Order N-7-22

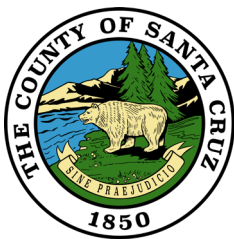
On March 28, 2022, Governor Gavin Newsom signed Executive Order N-7-22 (Executive Order) in response to extreme and expanding drought conditions which, effective immediately, prohibits Santa Cruz County Environmental Health (EH) from issuing a permit for a new non-de minimis groundwater well pursuant to Chapter 7 of the Santa Cruz County Code unless certain requirements are met or the permit falls within the limited exception to the requirements. [A complete copy of the Executive Order is available here](#) (see Paragraph 9a and b).

Applicability

These requirements do not apply to permits for wells that will provide less than two (2) acre-feet per year (2AFY) of groundwater for individual domestic users or that will exclusively provide groundwater to public water supply systems as defined in Health and Safety Code Section 116275.

Well Application Process

- 1) Well application must start by submission to Santa Cruz County EH (<https://www.scceh.org/NewHome/Programs/LandUse/WaterWells.aspx>)
 - Submissions can be made electronically or hard copy to the department
 - Fees are due at the time of submission
 - Application is reviewed by staff for accuracy, completeness, and regulatory compliance
- 2) If the application is for a well subject to Executive Order Paragraph 9b, the applicant must additionally provide:
 - A report signed and stamped by licensed professional with demonstrated appropriate competency, such as a California licensed Professional Geologist with a Certified Hydrogeologist specialty certification, that determines and concludes extraction of groundwater from the well "is not likely to interfere with the production and functioning of existing nearby wells". (See paragraph 9b of the Executive Order). Neighboring parcel wells can be found at <https://scceh.com/NewHome/EnvironmentalHealthDocuments.aspx>
- 3) If the application is for a well subject to Executive Order Paragraph 9b and within the Santa Margarita, Santa Cruz Mid-County, or Pajaro Valley Basins (Paragraph 9a; go to Groundwater Basin layer under Biotic and Water Resources at <https://gis.santacruzcounty.us/gisweb/> to verify):
 - Applicant must complete the top section of the Executive Order N-7-22 GSA Compliance Form
 - Staff will review for completeness and then route the complete application as well as the Executive Order N-7-22 GSA Compliance Form to the appropriate GSA for review
 - The GSA must sign the form to indicate that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan or alternative adopted by that Groundwater Sustainability Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan
 - GSA Compliance Form will be reviewed; if well is deemed consistent with GSP or alternative and adheres to all other regulatory requirements, well application is processed and well permit issued by EH within the 10-day period allowed by the Santa Cruz County Well Ordinance



County of Santa Cruz

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EnvironmentalHealth@santacruzcounty.us



Executive Order N-7-22 GSA Compliance Form

Section 1 (to be filled out by applicant)

<u>Property Address:</u>	<u>APN:</u>
<u>Property Owner Name:</u>	<u>Applicant Name and Title:</u>
<u>Screening Depth of Current Well</u>	<u>Screening Depth of Proposed Well:</u>
<u>GPS Coordinates of Proposed Well (decimal degrees):</u>	
<u>Estimated Water Use of Proposed Well in Acre-Feet per Year:</u>	
<u>How Was Water Use Determined?</u>	

Which represents the impact of the well permit?:

This is a new well that represents a new use of groundwater from the Basin

This is a replacement well that will not change the total water used from the Basin

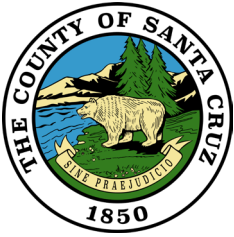
This is a replacement well that is intended to provide higher yield

This is for a well alteration that will increase water pumped from the Basin

This is a new well which replaces a municipal supply and will not change the total water used from the Basin

Prepared by: _____
Name Date

Title Signature



County of Santa Cruz

Health Services Agency - Environmental Health



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EnvironmentalHealth@santacruzcounty.us

Section 2 (to be filled out by GSA representative)

Groundwater extraction by the proposed well (choose one)

would be inconsistent with

would not be inconsistent with

any sustainable groundwater management program established in the Groundwater Sustainability Plan or alternative adopted by the Groundwater Sustainability Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by that Plan.

Comments (optional)

Name of Groundwater Agency: _____ Date _____

Certified by: _____
Name Title Signature

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.4

Title: Provide Guidance on Draft Metering Plan

Attachments:

1. Draft Groundwater Extraction Metering Plan for Santa Cruz Mid-County Groundwater Basin

Recommended Board Action: Review and provide input to Geosyntec on the Draft Groundwater Extraction Metering Plan for Santa Cruz Mid-County Groundwater Basin.

Background:

The Groundwater Sustainability Plan (GSP) states that groundwater extraction metering program will apply to non-*de minimis* users expected to extract more than 5 acre-feet per year and non-*de minimis* users expected to extract more than 2 acre-feet per year that are located in priority areas. Per the GSP, how the metering is to be deployed and monitored is to be defined in a Groundwater Extraction and Metering Program Plan (Metering Plan) with approval from the Board.

The firm Geosyntec was selected by the MGA to develop a Metering Plan, with input from a temporary Board committee. The Metering Plan was developed with feedback from staff, the Board committee, and members of the public who attended one of two public meetings held on the topic in April 2022. All impacted property owners were contacted by mail prior to the public meetings.

Discussion:

The Draft Metering Plan presents an approach for collecting and reporting groundwater pumping data that currently is not documented. Collecting and reporting this data will enable proactive and adaptive management of groundwater resources and documentation of seasonal fluctuation in water demand. Geosyntec has completed the Draft Metering Plan and are providing the Board this opportunity to review the Draft Plan before it comes back for final adoption in December 2022.

Recommended Board Action:

1. BY MOTION, review and provide input to Geosyntec on the Draft Groundwater Extraction Metering Plan for the Santa Cruz Mid-County Groundwater Basin.

Submitted by Sierra Ryan

On behalf of the MGA Executive Staff

Ron Duncan, General Manager, Soquel Creek Water District

Ralph Bracamonte, District Manager, Central Water District

Rosemary Menard, Water Director, City of Santa Cruz

Sierra Ryan, Water Resources Manager, County of Santa Cruz



engineers | scientists | innovators

DRAFT GROUNDWATER EXTRACTION METERING PLAN

SANTA CRUZ MID-COUNTY GROUNDWATER BASIN

Prepared for

Santa Cruz Mid-County Groundwater Agency

5180 Soquel Drive

Soquel, California 95073

Prepared by

Geosyntec Consultants, Inc.

1111 Broadway, 6th Floor

Oakland, California 94607

Project Number: WR3036

August 26, 2022

DRAFT Groundwater Extraction Metering Plan

Santa Cruz Mid-County Groundwater Basin

Prepared for

Santa Cruz Mid-County Groundwater Agency
5180 Soquel Drive
Soquel, California 95073

Prepared by

Geosyntec Consultants, Inc.
1111 Broadway, 6th Floor
Oakland, California 94607

DRAFT

DRAFT

Chelsea Bokman, E.I.T. (CA)
Project Engineer

Gordon Thrupp, Ph.D., P.G., C.HG. (CA)

Project Number: WR3036

August 26, 2022

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Figure 2:	Priority Management Areas for Metering Large Capacity, Non-Reporting Wells <i>(figure included at end of report)</i>
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LIST OF APPENDICES

Appendix A:	Metering Plan Overview
Appendix B:	Well Registration Form
Appendix C:	Monthly Reporting Form

ACRONYMS AND ABBREVIATIONS

AFY	acre-feet per year
AMI	automated meter infrastructure
Basin	Santa Cruz Mid-County Groundwater Basin
DWR	California Department of Water Resources
GSP	Groundwater Sustainability Plan
Metering Plan	<i>Groundwater Extraction Metering Plan</i>
MGA	Santa Cruz Mid-County Groundwater Agency
SGMA	Sustainable Groundwater Management Act

1. INTRODUCTION

The Santa Cruz Mid-County Groundwater Basin (Basin) is classified by the California Department of Water Resources (DWR) as a high priority basin in a state of critical overdraft (DWR 2016). In accordance with California's Sustainable Groundwater Management Act (SGMA), the Santa Cruz Mid-County Groundwater Agency (MGA) was formed to develop and implement a basin-specific Groundwater Sustainability Plan (GSP, MGA 2019). The DWR approved the GSP on June 3, 2021. The general purpose of the GSP is to present an approach to achieve a long-term groundwater withdrawal rate from the Basin that is less than or equal to the sustainable yield of the Basin within a 20-year implementation period as mandated by SGMA.

This *Groundwater Extraction Metering Plan* (Metering Plan) is an important component of the GSP. The Metering Plan presents an approach for collecting and reporting groundwater pumping data that currently is not documented. Collecting and reporting this data will enable proactive and adaptive management of groundwater resources and documentation of seasonal fluctuation in water demand. The GSP identified pumping by large capacity, non-reporting pumping wells as a source of uncertainty, because the amount of pumping from these wells was based on indirect estimates using potential evapotranspiration, crop coefficients, and irrigation efficiencies as described in the GSP (MGA 2019). Metering and documentation of pumping data is recommended in the GSP to improve the accuracy of the Basin's numeric groundwater flow model and the MGA's adaptive management of groundwater.

Metering and recording pumping data is key to evaluating the effectiveness of projects and management actions to reduce extraction that are proposed in the GSP. Groundwater pumping rates are a major influence on sustainable management of the groundwater basin. Moreover, metering pumping wells is particularly important in areas near the coast and near streams where pumping is most likely to influence seawater intrusion and the interconnection between surface waters and groundwater, which are two of the six Sustainability Indicators defined by SGMA.

The MGA has authority to require non-*de minimis* groundwater pumping to be metered pursuant to the SGMA § 10731. The Metering Plan presented herein describes how data will be collected and reported for large-capacity, non-reporting pumping wells in the Basin. An ordinance requiring compliance with the Metering Plan will be adopted by the MGA.

1.1 Applicability of the Metering Plan

This Metering Plan applies to large-capacity, non-reporting pumping of groundwater that meets at least one of the following water use criteria:

- More than 5 acre-feet per year (AFY) anywhere in the Basin
- More than 2 AFY and located within 1,000 feet of surface water that is interconnected with groundwater, as defined in the GSP (MGA 2019)
- More than 2 AFY and located where the groundwater elevation was less than 50 feet above mean sea level based on groundwater elevation contours from Fall 2005, as shown in the GSP (Figure 2-24, MGA 2019)

The water use criteria apply to the pumped volume of individual pumping wells, as well as the total water use for an individual parcel or a group of parcels operated by the same entity (operation). Figure 1 illustrates an example of multiple wells serving multiple parcels within an operation. In this example, if the total groundwater use for each parcel within the farm meets the above criteria, both wells would be metered and reported, regardless of the volume pumped at each well.

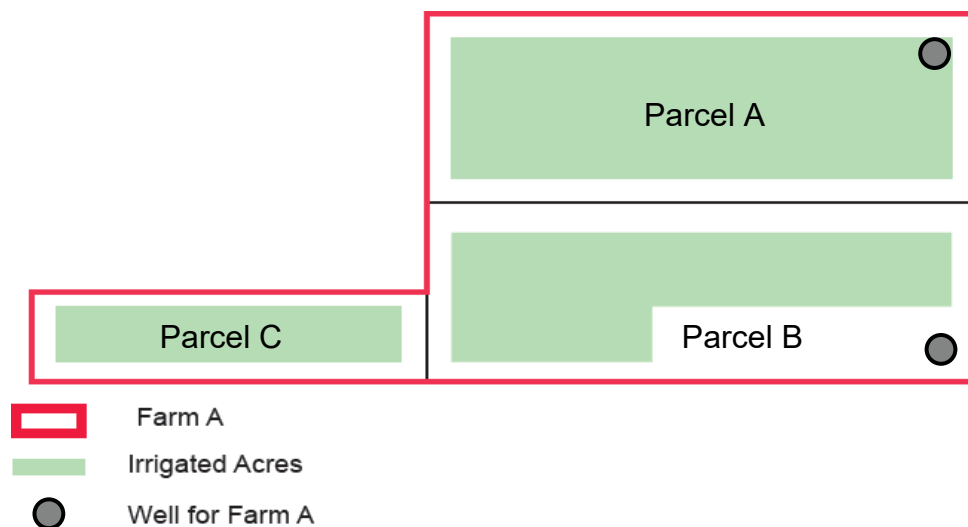


Figure 1. Example of an Operation with Multiple Parcels Served by Multiple Wells

The areas where groundwater pumping of more than 2 AFY will be metered are referred to as “priority management areas” and are shown in Figure 2. *De minimis* groundwater wells that pump less than 2 AFY, such as typical wells for domestic use, are exempt from the metering requirement pursuant to SGMA § 10721e.

Implementation and compliance with this Metering Plan will be mandatory for all large-capacity, non-reporting pumping wells in the Basin beginning 180 days from acceptance of the Metering Plan and adoption of the associated ordinance. Implementation and compliance with this Metering Plan will be effective immediately for new and replacement wells. The MGA may require metered data from any well located in the Basin if it is uncertain whether it qualifies as a large-capacity, non-reporting pumping well subject to the Metering Plan.

1.2 Metering Objectives

The purpose of this Metering Plan is to outline the procedures for metering large-capacity, non-reporting pumping wells to enable proactive management of water resources and compliance with SGMA.

This Metering Plan will be implemented to address the following:

- The MGA is currently relying on estimates of pumping by private well owners, which is considered a source of uncertainty in the Basin’s numeric groundwater flow model. Initially the pumping data will be used to refine the estimates for large capacity,

non-reporting pumping wells in the Basin. The data also will be used to verify and improve estimates of the sustainable yield of the Basin.

- Groundwater pumping data will be integrated with other data (e.g., groundwater level data, municipal pumping data) to track changing conditions and the SGMA Sustainability Indicators for the Basin, including:
 - decline of groundwater levels and groundwater storage
 - depletion of surface water flows interconnected with groundwater
 - degradation of groundwater quality including sea water intrusion
- The groundwater pumping data will be used throughout the GSP implementation period to help in assessing the performance of projects and management actions undertaken by the MGA.

The Metering Plan outlines a procedure that will facilitate confidential collection and reporting of groundwater extraction data to the MGA, which will not be subject to public review pursuant to Government Code 6254(e). The MGA will only publish aggregated pumping data and will not publish pumping data from individuals.

2. METERING PLAN

This section describes the how metering will be implemented, requirements for meters, and meter installation. A summary overview of the steps for parcel owners to implement the metering plan is presented in Appendix A.

2.1 Implementation

Upon approval of the Metering Plan and adoption of the associated ordinance, owners of parcels with expected large-capacity, non-reporting wells will be required to register all wells that supply water to the parcels with the MGA. Registration information will include documentation of the type of flowmeter, the Santa Cruz County Assessor's Parcel Number (APN) for each parcel served by each well and farm identification, golf course identification, or other type of water use identification. The MGA will assign a unique well identification number for each registered well.

Registration of pumping wells will be achieved by submitting the registration form to the MGA. A copy of the registration form is provided as Appendix B, which specifies details for electronic submittal. The registration form shall be submitted within 90 days of approval of the Metering Plan and adoption of the ordinance. The MGA will verify parcels served by each well and current areas of irrigation based on aerial photography and GIS analysis.

Existing flowmeters on wells may continue to be used if inspected, validated, and approved by a third-party contractor¹ acceptable to the MGA. A flowmeter shall be installed within 180 days of

¹ Third-party contractors must be pre-approved by the MGA and shall possess an appropriate license, for example, Professional Geologist, Professional Engineer, California Well Drilling License (C-57), licensed plumber, or other applicable professional license.

registration on each well that does not already have an appropriate flowmeter shall have. A third-party contractor must inspect flowmeters, whether new or existing, and provide documentation to the MGA including certification that the flowmeter is properly installed and meets the Metering Plan requirements, photographs of the flowmeter and wellhead, and confirmation of the flowmeter details specified on the registration form in Appendix B.

The owner or an authorized person shall read the flowmeter and report the data monthly to the MGA using the form provided as Appendix C, which specifies details for electronic submittal. Flowmeter data shall be reported by the 10th of each month, starting the month after the flowmeter is inspected by a third-party contractor.

The owner or an authorized person shall submit a photograph of the meter reading to the MGA six months after the flowmeter is installed and at the end of each water year thereafter (i.e., September 31). Documentation of flowmeter calibration or validation of flowmeter readings shall be provided to the MGA upon request.

2.2 Flowmeters

The following sections detail appropriate flowmeter types, installation configurations, and minimum requirements for flowmeters.

2.2.1 Flowmeter Types

Wells owners can select the type of flowmeter to be installed on their well(s). The flowmeters shall be calibrated and meet the minimum requirements described below. The following types of flowmeters may be used:

- **Propeller flowmeters** are commonly used in agriculture and municipal settings and have proven to be a reliable mechanism for long-term monitoring. These flowmeters use mechanical parts to measure flow rate and record total pumping volume. Flowmeters shall be sized based on expected flow rate and pipe diameter. Propeller meters require regular maintenance and calibration, as bearing wear can occur from the internal propeller and other physical damage. Flowmeter accuracy is commonly plus or minus 2%.



Figure 3. Example Propeller Type Flowmeter (Source: McCrometer 2022)

- **In-line ultrasonic flowmeters** measure flow rate by transmitting sound waves through water flowing in the pipe. These flowmeters have no moving parts and therefore require less frequent maintenance and are more reliable than propeller-type flowmeters. However, ultrasonic flowmeters are more expensive than propeller flowmeters. Flowmeter accuracy is commonly plus or minus 2% or better.
- **Electromagnetic flowmeters** measure flow rate using electrodes to measure changes to an applied voltage. Like ultrasonic meters, electromagnetic flowmeters have no moving parts, and therefore require less frequent maintenance and are more reliable. These meters also tend to cost more. Flowmeter accuracy is commonly plus or minus 2% or better.
- **Automated meter infrastructure (AMI)** can be implemented to remotely report measurements and minimize visits to the wellhead. AMI has the highest upfront costs and requires power and communications infrastructure. Remote communication options include satellite and cellular connections. Power options include grid, battery-only, and rechargeable solar power.



Figure 4. Example Automated Meter Infrastructure (Source: McCrometer 2022)

2.2.2 Typical Installation Configurations

Flowmeters shall be installed at easily accessible above-ground portions of the well. Flowmeters shall be installed according to the manufacturer's installation specification (e.g., correct upstream and downstream pipe length, correctly sized, etc.). A typical installation configuration is depicted in Figure 5 below.

Installing a flowmeter typically requires 4 to 8 hours and may be performed by a licensed third-party contractor approved by the MGA. The owner may elect to install the flowmeter themselves and have a third-party contractor inspect and approve the installation and provide

documentation to the MGA. Well owners may have the option to allow installation of a flowmeter through the MGA for a limited time with a subsidized program. Property owners will be responsible for ongoing maintenance costs.

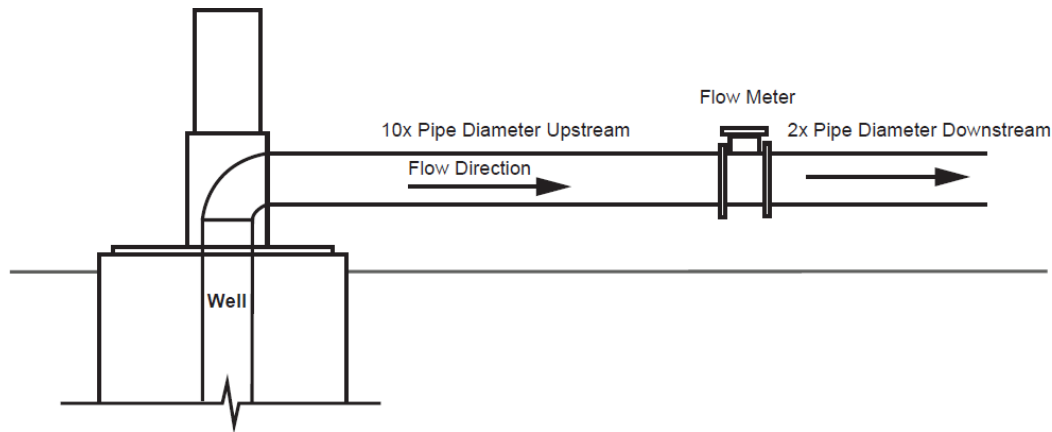


Figure 5. Typical Installation Configuration

2.2.3 Minimum Meter Requirements

Meters shall meet the following requirements:

- Minimum warranted accuracy of plus or minus 2%
- Calibrated by manufacturer prior to installation
- Include both an instantaneous flow rate and a totalizer that records the total volume of water pumped
- Proper installation such that (1) the meter is upstream of all discharge connections and measures all flow from the well; (2) downstream and upstream runs of pipe meet manufacturer specifications; and (3) the discharge pipe is completely full of water when the well is pumping.

3. GROUNDWATER METERING COMPLIANCE REQUIREMENTS

3.1 Calibration and Validation

Proper calibration and validation are important for ensuring data quality and meeting the objectives of the Metering Plan. Well owners are responsible for calibration, validation, and maintenance of meters after the initial installation. Initial flowmeter testing and calibration shall be conducted by the flowmeter manufacturer in conformance with National Institute of Standards and Technology (NIST) Handbook 44, as referenced in California Code of Regulations, Title 4, Division 9 Weights and Measures Field Reference Manual (2018) Section 3.36 Water Meters.

3.1.1 Initial Calibration/Validation of Flowmeters

New flowmeters will require a certificate of calibration, which shall be submitted to the MGA. Flowmeters may either be installed by a third-party contractor or, if a well owner elects to install

the flowmeter themselves, the installation must be inspected and approved by a third-party contractor.

Existing flowmeters will be inspected and validated to ensure proper function and calibration by a third-party contractor. Certificates of calibration and photographs of the flowmeter reading and installation for both new and existing flowmeters shall be submitted to the MGA by the time of the first flowmeter reading.

3.1.2 Routine Calibration/Validation and Maintenance

Property owners are responsible for maintaining the flowmeter(s) in good working condition and shall provide documentation of flowmeter calibration or validation of flowmeter readings to the MGA upon request. Routine calibration checks (i.e., validation) to check the accuracy of the flowmeter can be conducted using a calibrated, temporary, clamp-on ultrasonic flowmeter to compare the instantaneous flow rate with the permanent flowmeter, or by another approved validation method performed by an appropriate third-party contractor. Third-party contractors can also test the motor efficiency to estimate the remaining useful life of the motor. Replacing motors when they become inefficient can save on electrical and maintenance costs.

If the flow rate variability exceeds 5%, then manufacturer recalibration will be required. This typically involves removing the flowmeter and sending it to the manufacturer to have it factory calibrated.

3.2 Flowmeter Reads and Monthly Data Reporting

The property owner, an operator authorized by the owner, or a third-party contractor acceptable to the MGA shall read the flowmeter for each registered well and submit the readings electronically to the MGA on or before the tenth each month. The following information shall be submitted to the MGA:

- **Contact Information:** Name of the individual reading the flowmeter, email address, or phone number
- **Meter reading:** Date of flowmeter reading, flowmeter serial number (if legible), totalizer reading with units and scale (e.g., acre-feet, gallons, cubic feet, hundreds of cubic feet, etc.), and a photograph of the meter face that legibly shows the totalizer numbers (when requested)
- **Well information:** Well identification, as assigned by the MGA after registration

An example form for monthly data reporting is provided as Appendix C, which also specifies the electronic submittal process. The MGA may conduct audits of meters through a third-party contractor or through requests for photographs.

3.3 Data Confidentiality

To address concerns regarding the confidentiality of pumping data, the raw data will remain confidential pursuant to Government Code 6254(e). These data will be maintained for use by the MGA, and only published publicly as aggregate values by water use sector (i.e., Agriculture, Municipal, and Recreation).

3.4 Fees, Enforcement and Penalties

Currently, there are no plans to assess fees for groundwater pumping. The MGA has the right to impose fees at a later date. Parcel owners who fail to comply with the Metering Plan or who provide inaccurate data to the MGA will be subject to penalties, including fines, as described in the ordinance.

3.5 Metering Plan Updates

The MGA will update the Metering Plan in conjunction with five-year updates to the GSP as needed.

3.6 Process for Appeal

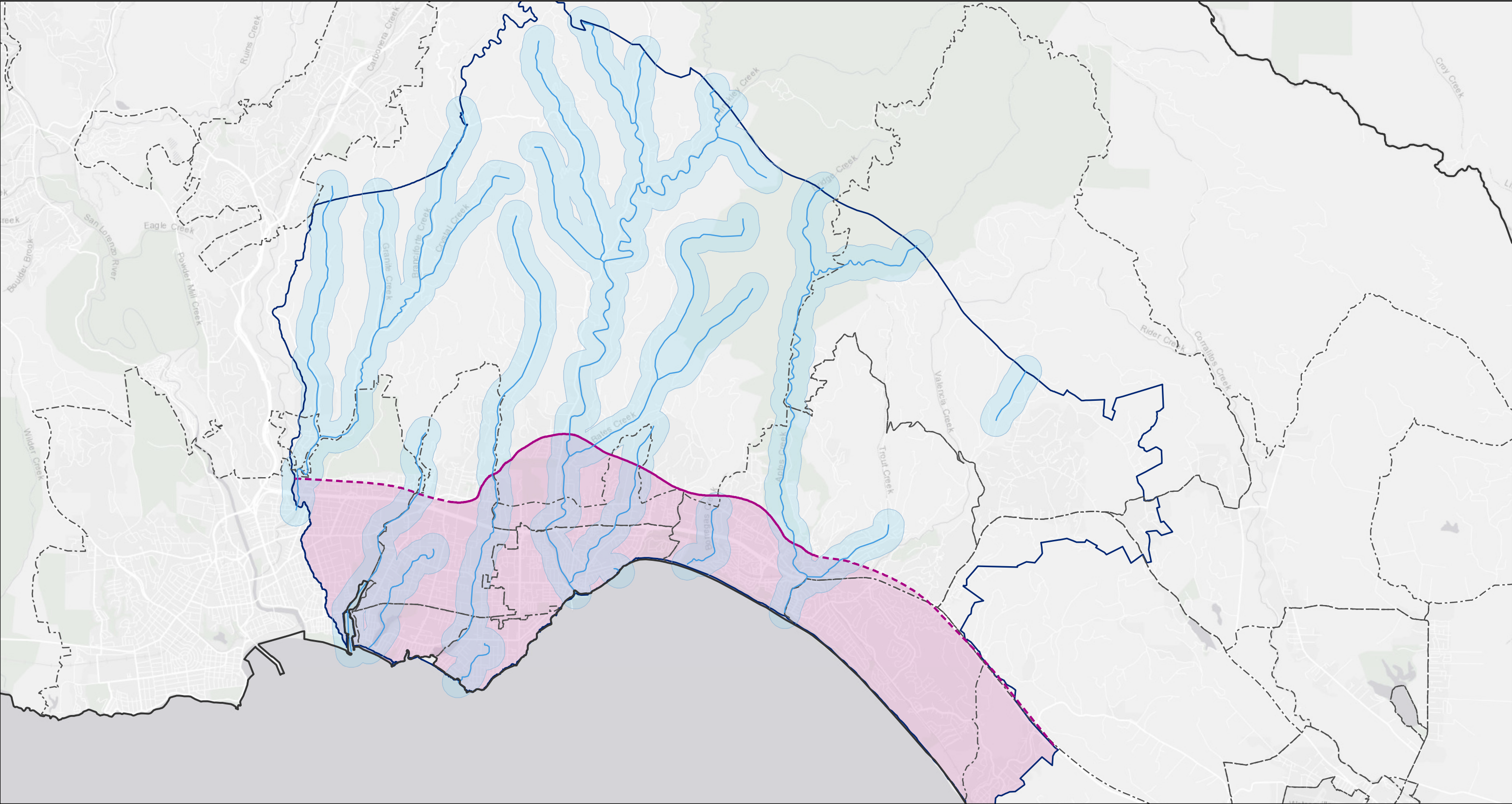
The MGA recognizes that there will be cases that are not clearly defined by this plan or situations where special accommodations and considerations may be needed. Requests for appeals or special accommodations can be emailed to the Basin Point of Contact at basinpoc@midcountygroundwater.org.

4. REFERENCES

California Department of Water Resources (DWR). 2016. *Best Management Practices for the Sustainable Groundwater Management of Groundwater – Monitoring Protocols, Standards, and Sites*. California Department of Water Resources, Sustainable Groundwater Management Program. December.

McCrometer. 2022. *McPropeller Flow Meters, Installation, Operation, and Maintenance Manual*. 24517-11. Revision 4.7. 11 July.

Santa Cruz Mid-County Groundwater Agency (MGA). 2019. *Groundwater Sustainability Plan*. November.



Legend

Priority Management Zones

- Surface Water Interconnected with Groundwater
- 1000-foot Buffer around Surface Water Interconnected with Groundwater
- 50 Feet Above Mean Sea Level Contour, Groundwater Elevation in Purisima A-Unit, Fall 2005 (Figure 2-24 GSP 2019)
- - - Dashed Line Indicates Estimated Elevations

- Santa Cruz Mid-County Groundwater Basin Boundary
- Municipality Boundary
- Santa Cruz County Boundary



0 6,000 Feet

Priority Management Areas for Metering Large Capacity, Non-Reporting Wells

Groundwater Extraction Metering Plan
Santa Cruz Mid-County Basin, California

Geosyntec
consultants

WR3036

July 2022

Figure

2

APPENDIX A

Metering Plan Overview

Metering Plan Overview

Steps	Details
Well Registration	Property owners with expected large capacity, non-reporting pumping wells shall register each well that supplies water to the parcel(s) by submitting the Well Registration Form (Appendix B) to the MGA within 90 days of the adoption of the ordinance.
Initial flowmeter installation, calibration, and/or validation	<p>Property owners that already have flowmeters installed shall have the flowmeter inspected, validated, and approved by an MGA-approved third-party contractor. The third-party contractor shall provide the following documentation to the MGA: certification that the flowmeter is properly installed and meets the Metering Plan requirements, certificates of calibration, photographs of the flowmeter and wellhead, and confirmation of the flowmeter details specified on the Well Registration Form (Appendix B). If the existing flowmeter does not meet the minimum requirements described in the Metering Plan, a new flowmeter shall be installed.</p> <p>Property owners that have either no flowmeter or a flowmeter that does not meet the minimum requirements shall have a new flowmeter installed by an MGA-approved third-party contractor. Owners that install the flowmeter themselves shall have the flowmeter installation inspected and approved by an MGA-approved, third-party contractor. After the flowmeter is installed, the third-party contractor shall provide the following documentation to the MGA: certification that the flowmeter is properly installed and meets the Metering Plan requirements, certificates of calibration, photographs of the flowmeter and wellhead, and confirmation of the flowmeter details specified on the Well Registration Form (Appendix B).</p>
Monthly flowmeter readings	Flowmeter readings shall be submitted to the MGA on or before the 10 th of each month using the Monthly Reporting Form (Appendix C) starting the month after the flowmeter is installed or approved.
Routine maintenance and calibration	Property owners are responsible for maintaining flowmeters in good working condition and shall provide documentation of flowmeter calibration or validation of flowmeter readings to the MGA upon request. If the flow rate variability exceeds 5%, then manufacturer recalibration will be required. This typically involves removing the flowmeter and sending it to the manufacturer to have it factory calibrated.
Costs	Owners are responsible for the associated costs. The MGA has applied for a grant that may subsidize or cover the costs of initial flowmeter installation. The MGA will apply for grants and funding to subsidize or cover costs whenever possible.
Appeals or special accommodations	Requests for appeals or special accommodations can be emailed to the Basin Point of Contact at basinpoc@midcountygroudwater.org .

APPENDIX B

Well Registration Form

Well Registration Form

Please fill out and submit the Well Registration Form on a smartphone or computer. Electronic forms can be accessed using the QR code or by typing the web address into an internet browser. Special accommodations can be requested by emailing the Basin Point of Contact at basinpoc@midcountygroudwater.org.

Add QR code
to Survey123
form

Owner Information

Add link to Survey123 form

Contact Name(s) _____
Business Name(s) _____
Address(es) _____
City/State/Zip _____
Phone Number(s) _____
Email Address(es) _____

Operator Information *(if different from above)*

Contact Name(s) _____
Business Name(s) _____
Address(es) _____
City/State/Zip _____
Phone Number(s). _____
Email Address _____

Well Information

Owner's Well Name/Number _____
Assessor's Parcel Number(s) (APN) of well location _____
Assessor's Parcel Number(s) (APN) served by well _____
Well Location/Address _____
Public Land Survey Location; Township _____ Range _____ Section _____
GPS Coordinates; Latitude _____ Longitude _____
State Well Number (SWN) _____
State Well ID _____

Additional Well Information

County Well Permit No. _____
Date Drilled _____

Well Registration Form

Well Depth _____ feet

Casing Diameter _____ inches

Depth of Perforations _____ feet

Motor Type (*select one*): Submersible or Turbine Motor/Engine _____ horsepower (HP)

Flowmeter Information

Existing Water Flowmeter (select one): Yes or No

Manufacturer of Water Flowmeter _____

Water Flowmeter Size _____ inches

Serial Number of Water Flowmeter _____

Water Flowmeter Units and Scale (state what flowmeter reads in: acre-feet, gallons, million gallons, cubic feet, hundreds of cubic feet, etc.)

Electric Meter Number _____

Hydrogeologic Data (If any of the below data are available, check box and please provide documentation.)

- ☐ Groundwater Quality Data Available
- ☐ Groundwater Level Data Available
- ☐ Static Groundwater Levels Available
- ☐ Pumping Groundwater Levels Available
- ☐ Aquifer Test Data Available
- ☐ Geophysical (E-log) Available

Well Water Use Type

- ☐ Agricultural/Irrigation (*list number of acres and crop category(ies)*) _____
- ☐ Stock Watering (*number and type of animals*) _____
- ☐ Domestic (*number of persons served*) _____
- ☐ Municipal or Industrial _____
- ☐ Other (*describe*) _____

APPENDIX C

Monthly Reporting Form

Monthly Reporting Form

Please fill out and submit the Well Reporting Form on a smartphone or computer. Electronic forms can be accessed using the QR code or by typing the web address into an internet browser. Special accommodations may be requested by emailing the Basin Point of Contact at basinpoc@midcountygroundwater.org.

Add QR code
to Survey123
form

1. Reporting Person

Add link to Survey123 form

Name _____

Phone Number _____

Email Address _____

2. Well Information

Well ID (as assigned by the MGA) _____

3. Flowmeter Reading

Date of Reading _____

Totalizer Reading _____

Units and Scale (e.g, gallons, acre-feet, cubic feet, hundreds of cubic feet, etc.) _____

Meter Serial Number (if available) _____

4. Photo Upload

Photographs of flowmeter readings are required for the first reading, six months after the first reading, and annually at the end of September.

September 15, 2022

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 6.1

Title: Treasurer's Report

Attachments:

1. Treasurer's Report for the Period Ending August 31, 2022

Attached is the Treasurer's Report for July through August 2022. These reports contain three sections:

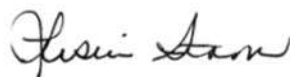
- Statement of Changes in Revenues, Expenses and Net Position
 - This interim financial statement provides information on the revenue that has been invoiced to the member agencies and the expenses that have been recorded as of the period ending date.
- Statement of Net Position
 - This interim financial statement details the cash balance at Wells Fargo Bank, the membership revenue still owed through accounts receivable, if any, prepaid expenses such as insurance, 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 August 31, 2022



Prepared by

Leslie Strohm, Treasurer

Prepared on

September 9, 2022

Statement of Revenues, Expenses and Changes in Net Position

July - August, 2022

	Total
INCOME	
4100 Membership Revenue	312,000.00
Total Income	312,000.00
GROSS PROFIT	312,000.00
EXPENSES	
5100 Groundwater Management Services	2,470.00
5110 Grndwtr Mgmt - Groundwater Monitoring	5,246.24
5315 Office Services	72.00
5340 Computer Services	280.00
5355 Insurance	112.50
5415 Outreach Services	46.00
5510 GSP Consulting Services	610.00
Total Expenses	8,836.74
NET OPERATING INCOME	303,163.26
NET INCOME	\$303,163.26

Statement of Net Position

As of August 31, 2022

		Total
ASSETS		
Current Assets		
Bank Accounts		
1100 Wells Fargo Business Checking		1,951,011.02
Total Bank Accounts		1,951,011.02
Accounts Receivable		
1200 Accounts Receivable - Membership Revenue		62,400.00
1220 Accounts Receivable - Grants		314,399.86
Total Accounts Receivable		376,799.86
Other Current Assets		
1400 Prepaid Expenses		2,072.92
Total Other Current Assets		2,072.92
Total Current Assets		2,329,883.80
TOTAL ASSETS		\$2,329,883.80
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2100 Accounts Payable		107,269.09
Total Accounts Payable		107,269.09
Total Current Liabilities		107,269.09
Total Liabilities		107,269.09
Equity		
3100 Retained Earnings		1,919,451.45
Net Income		303,163.26
Total Equity		2,222,614.71
TOTAL LIABILITIES AND EQUITY		\$2,329,883.80

Warrants

July - August, 2022

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Bill Payment (Check)						
08/19/2022	Bill Payment (Check)	10287	ACWA/JPIA	Member# S073 Cyberliability insurance		-112.50
						-112.50
08/19/2022	Bill Payment (Check)	10288	County of Santa Cruz (County Counsel)			-4,875.00
						-4,875.00
08/19/2022	Bill Payment (Check)	10289	County of Santa Cruz Health Services Agency	Groundwater monitoring and data management		-69,623.56
						-69,623.56
08/19/2022	Bill Payment (Check)	10290	Errol L Montgomery & Associates Inc	GSP Planning and reporting		-2,647.50
						-2,647.50
08/19/2022	Bill Payment (Check)	10291	Soquel Creek Water District (2)	Administrative personnel services for 2021-22; Quickbooks, Mailchimp and Docusign		-4,972.02
						-4,972.02
08/19/2022	Bill Payment (Check)	10292	Trout Unlimited Inc	Stream monitoring		-1,372.77

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
						-1,372.77
07/29/2022	Bill Payment (Check)	10286	County of Santa Cruz Dept of Public Works	Encroachment permit		-1,178.00
						-1,178.00
07/20/2022	Bill Payment (Check)	10283	County of Santa Cruz Health Services Agency	Groundwater monitoring and data management		-25,856.83
						-25,856.83
07/20/2022	Bill Payment (Check)	10284	Geosyntec Consultants, Inc	Development of groundwater metering program	R	-4,560.07
						-4,560.07
07/20/2022	Bill Payment (Check)	10285	Soquel Creek Water District (2)	Mailchimp and Quickbooks	R	-103.00
						-103.00
Expense						
07/05/2022	Expense	US003Ncn1E	Google - Online Payments	G Suite Subscription	R	-72.00
				Google Payment - G Suit		72.00

Soquel Creek Streamflow Monitoring Report October 2020 – June 2022

AUGUST 30, 2022

Trout Unlimited

By: Mia van Docto, Krysia Skorko and Tony Vojtech



1. Introduction

The Soquel Creek Watershed drains a basin approximately 42 mi² and empties into Monterey Bay between the cities of Santa Cruz and Watsonville, on the Central Coast of California (Figure 1). In 2017, the Resource Conservation District of Santa Cruz County (RCDSC) and Trout Unlimited (TU) received a grant from the Wildlife Conservation Board (WCB) to assess streamflow conditions in the Soquel Creek watershed and opportunities to improve summer streamflow for juvenile salmonids. As part of that grant, RCDSC and TU designed a gage network to better understand streamflow conditions in the upper portion of the watershed. When the grant funding for the gage network ended in 2020, the Santa Cruz Mid-County Groundwater Agency contract TU to continue operation of the gage network through June 2022. This report describes the data generated by the 4 streamflow gages in this study from WY2020-WY2022, and includes summaries of streamflow values for WYs 2021 – 2022.



Figure 1. Location of Soquel Creek watersheds.



2. Study Area and Methods

2.1 Watershed Characteristics

The upper Soquel Creek watershed is dominated by mixed conifer forests, comprised mainly of coastal redwood, tan oak, madrone and Douglas fir (RCDSCC 2019). Most of the study area is within unincorporated Santa Cruz County. Land use includes rural residential development, parks and recreation, mining, and timber harvesting. Roughly 25% of the headwaters of the Soquel Creek Watershed are State-protected lands (RCDSCC 2019). Logging has been conducted in the middle and upper watershed since the mid-nineteenth century (RCDSCC 2003). The focus area of this study is the upper portion of the watershed, starting at the lowest study gage above the confluence with Bates Creek.

2.2 Rainfall

The Soquel creek watershed has a Mediterranean climate like most of coastal California, with warm dry summers and cool wet winters. The Parameter-elevation Regression on Independent Slopes Model (PRISM), a precipitation model developed at Oregon State University, indicates that average precipitation throughout the watershed is extremely variable, with the lower portion receiving only slightly more than half the annual precipitation of upper region. PRISM data show 30 to 40 inches of rainfall in the lower half of the watershed annually, and more than 40 inches (and up to 60 inches across the northeast corner of the watershed) in the upper portion (Figure 2).

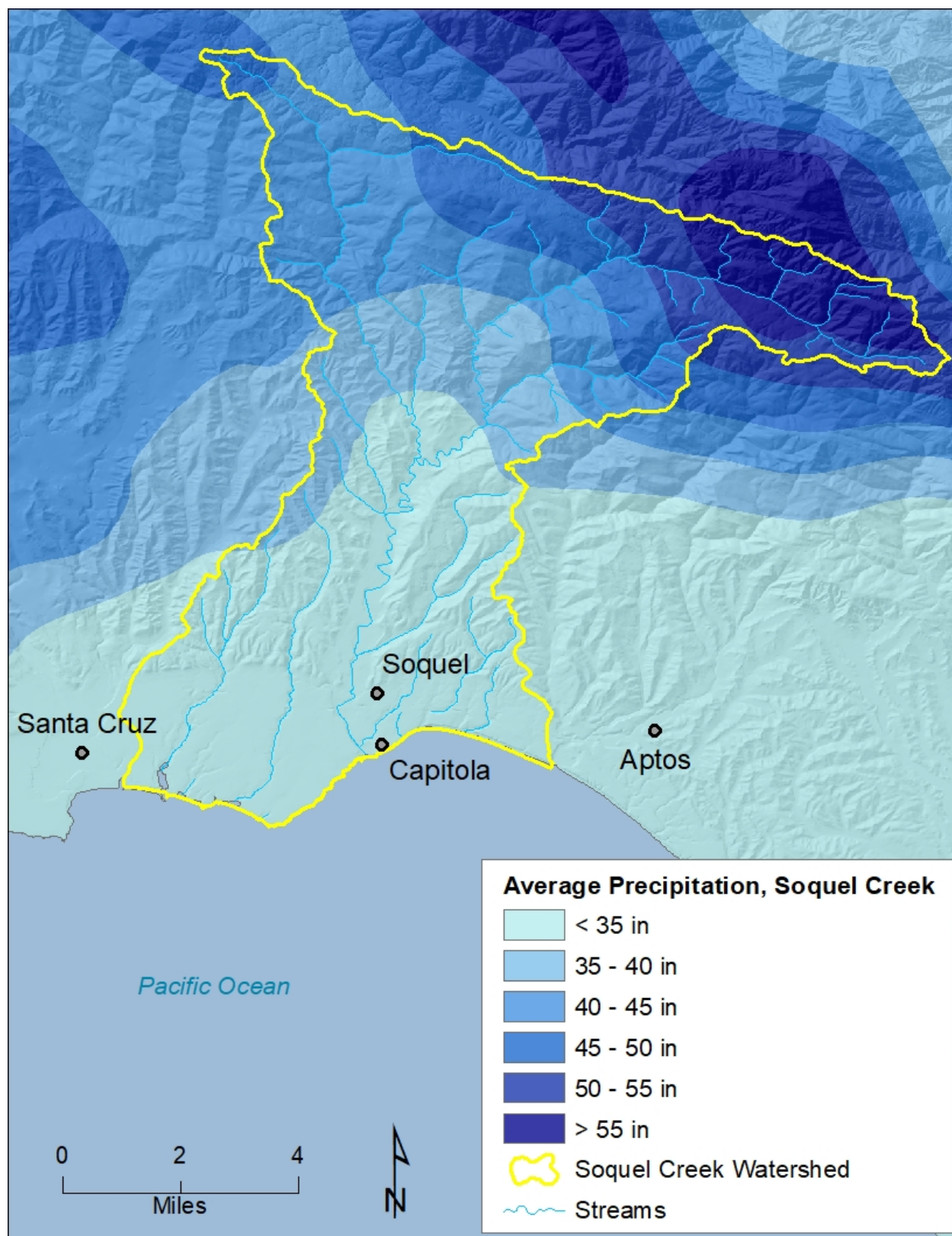


Figure 2. Average annual precipitation (inches) in the Soquel Creek watershed.

In the Soquel watershed, like similar systems, streamflow begins to recede at the end of the rainy season, usually in late spring and early summer. It is therefore important to analyze the timing and amount of rainfall in the watershed, as those factors can greatly influence summer flow conditions. Above-average rainfall and late-season rain events in the spring can increase summer baseflows and contribute to stream channels staying connected longer into the dry season.

Annual rainfall totals in this watershed are extremely variable. According to data collected beginning in 1951 from National Climate Data Center (NCDC) station in nearby Santa Cruz, CA (NCDC USC00047916, hereafter, Santa Cruz station), average rainfall is 29.6 inches, with significant variation between years (Figure 3). The study has included two years of below-average rainfall. The Santa Cruz station is located in the eastern portion of the city of Santa Cruz near the border with the town of Soquel, at an approximate elevation of 100 feet. Elevations in the watershed range from sea level to approximately 2,000 feet, so the Santa Cruz station rainfall data is likely representative of the rainfall occurring in the lower portion of this watershed. Rainfall in complex terrain such as the Soquel creek watershed can be highly spatially variable, and direct rain gage measurement in the area represents a single point measurement (the Santa Cruz station). The exact values across the watershed may not be represented by the Santa Cruz station, but we believe the overall patterns are representative and are relevant to the streamflow conditions we have monitored during the study.

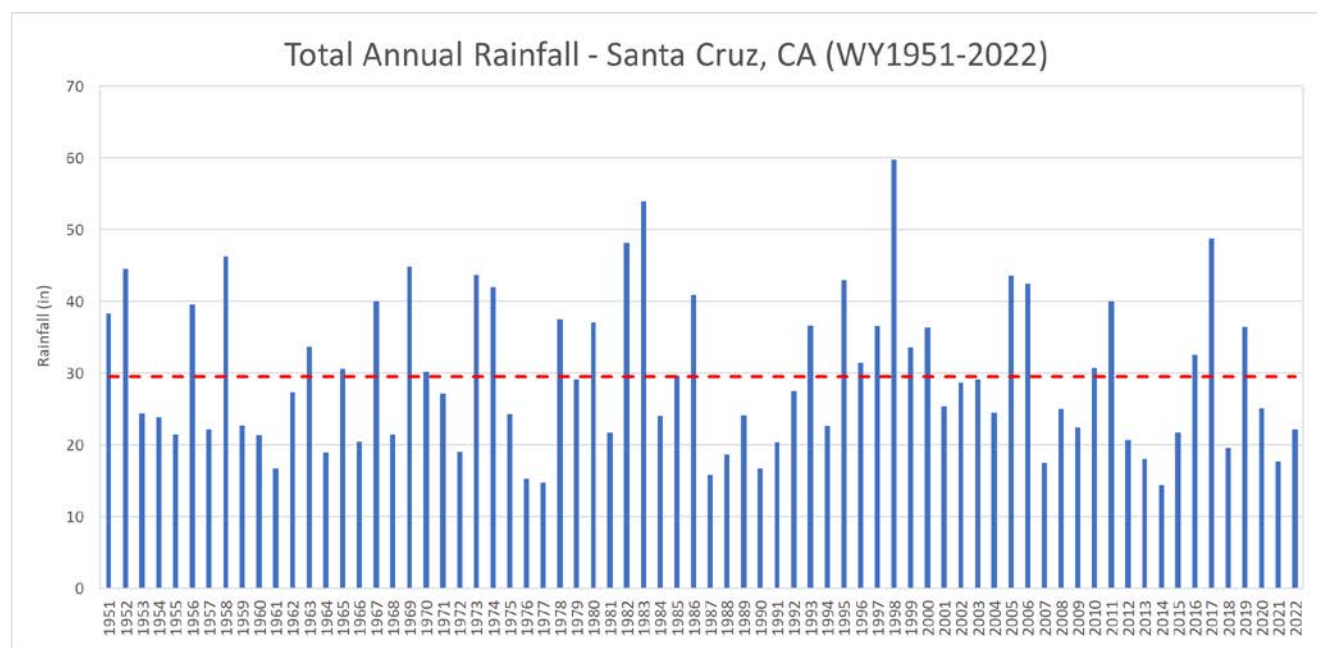


Figure 3 Annual precipitation (inches) during the period of record, WY1951-2022, collected at the NCDC Santa Cruz Station (USC00047916). The red dashed line represents the average annual rainfall (29.6 in) collected at the station.

In addition to the magnitude, the timing of rainfall also impacts summer baseflow conditions in the Soquel creek watershed (Figure 4). In WY2020, rainfall was low overall and spread throughout the winter season, with over half occurring in November and December. WY2021 was dry year, with 52% of the total annual rainfall

occurring in January, and below average rainfall throughout the entire spring season. The largest storm of WY2021 occurred in late January; other notable storms took place in mid-December and mid-March. WY2022 was another dry year with 80% of the total annual rainfall occurring in October through December. The largest storm of WY2022 was a multi-day storm that took place in mid-December, and the second largest storm was in late October 2021. Conditions in January – March 2022 were exceptionally dry for the region, and only 8% of the total annual rainfall occurred during those months.

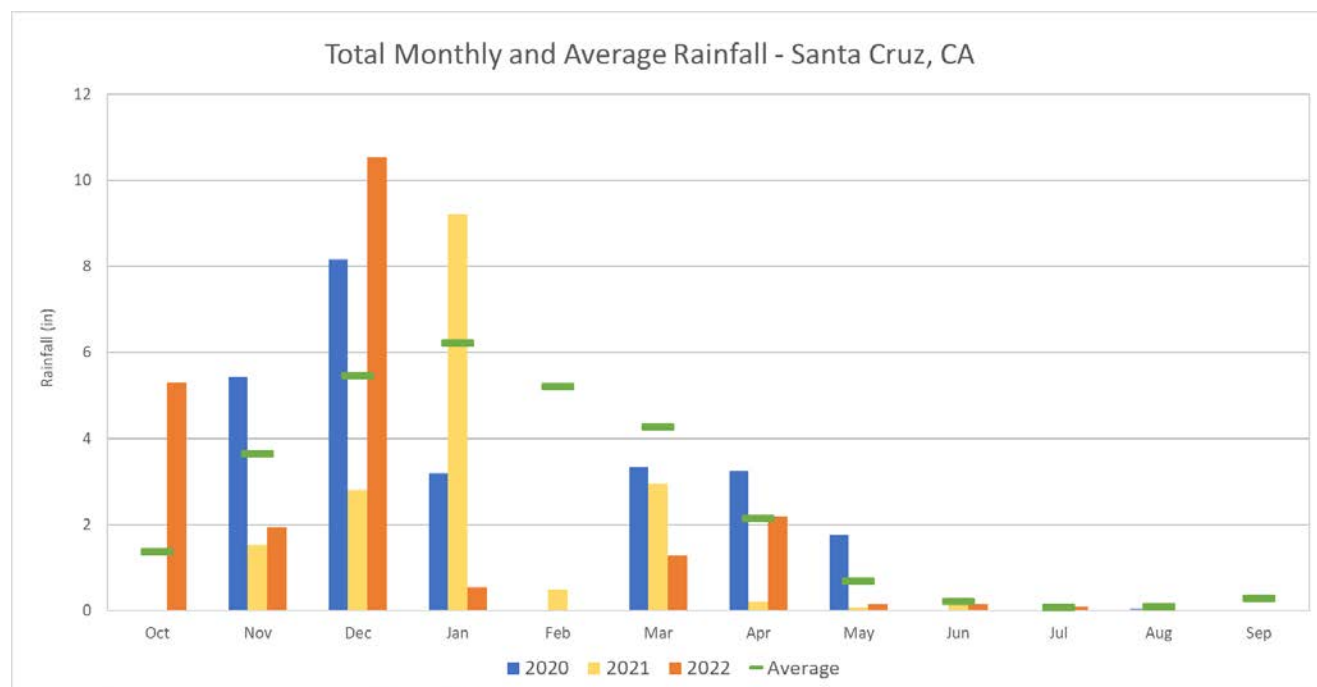


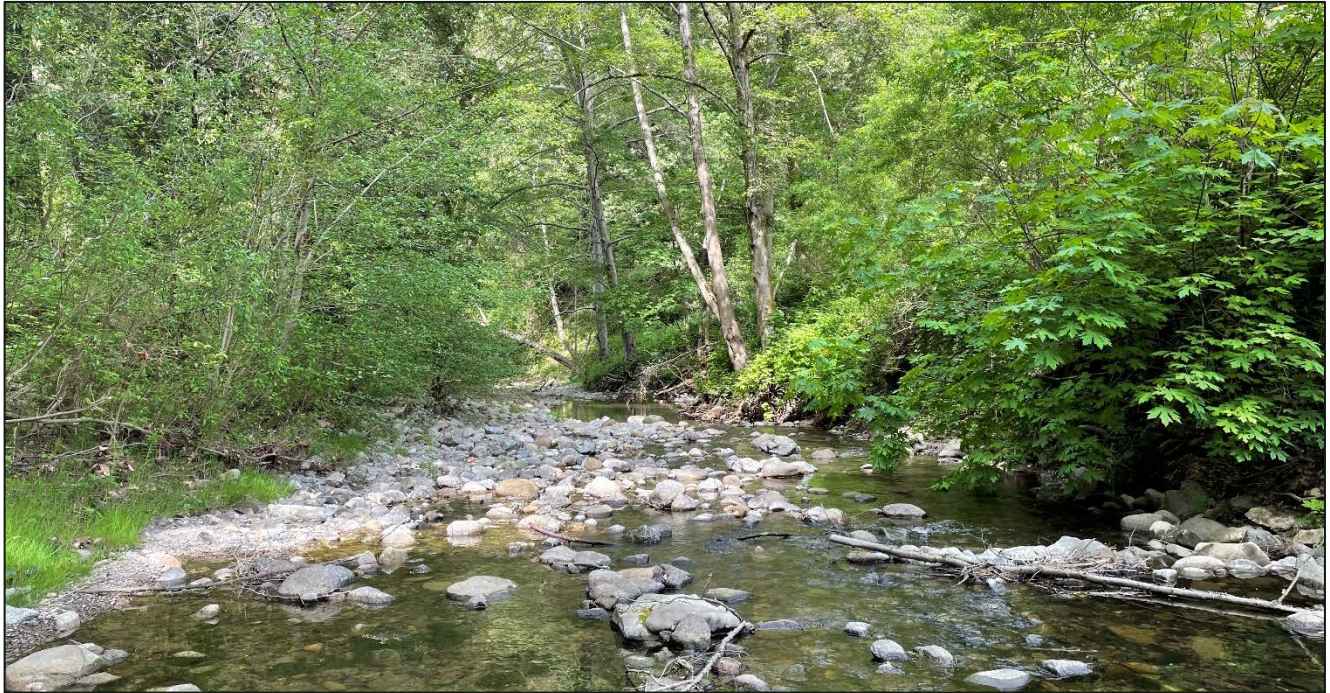
Figure 4. Monthly precipitation totals (inches) in the Soquel creek watershed during the period WY2020-WY2022, and monthly averages for the period of record (WY1951-WY2020) collected at the NCDC Santa Cruz Station (USC00047916).

2.3 Methods

In 2017 TU installed four gages in the Soquel Creek watershed (Figure 5). Each streamflow gage was operated following United States Geological Survey (USGS) standard procedures, as described in Rantz (1982). Streamflow measurements were collected approximately monthly using a Flow Tracker 2, following USGS protocols for measuring streamflow velocity (Turnipseed and Sauer, 2010). Using measured streamflow values, rating curves were developed to correlate streamflow with stage at each site. High flows were estimated using watershed scaling based on flows at the USGS gage (USGS 11160000 Soquel C A Soquel CA). In addition, we installed staff plates to detect pressure transducer drift and other factors that may cause phase shifts (i.e., changes in the relationship between stage and streamflow) over the course of the project.



Figure 5. Gage locations in the Soquel Creek watershed, with project gages in orange and the USGS gage in blue.



3. Streamflow Conditions

TU monitored streamflow conditions at four streamflow gaging stations in the Soquel Creek watershed: (Sq01) Soquel Creek above the West Branch, (Sq02) West Branch Soquel Creek, (Sq03) Soquel Creek above Bates Creek, (Sq04) Soquel Creek at the Quarry (Figure 5).

Figure 6 shows data from the gage (Sq04) Soquel Creek at the Quarry, for October 2021 through early June 2022. This gage is one of three gages on mainstem Soquel Creek, and is the gage located furthest upstream in the network. In October 2021, flows were at a low summer baseflow of approximately $0.7 \text{ ft}^3/\text{sec}$. Starting in November 2021, flows began to rise and fall with winter rainstorms, with the first flows rising above $10 \text{ ft}^3/\text{sec}$. The highest flows of the season were in late January and early February. Between storms, winter base flows ranged between about 2 and $3.5 \text{ ft}^3/\text{sec}$. The last larger winter storm of the season was in late March; following this storm flows gradually receded, reaching a summer baseflow of approximately $1.0 \text{ ft}^3/\text{sec}$ in early July 2021. Flows dropped to the lowest of the season in early October 2021, with flows falling below $0.5 \text{ ft}^3/\text{sec}$.

Flows rose from their dry season lows in response to the late October 2021 storm, then fell to a winter baseflow of about $1.2 \text{ ft}^3/\text{sec}$. Flows rose and remained elevated during the December 2021 storms, receded in early winter, and rose again during larger late spring storms that occurred in March and April 2022. In early June 2022, the end of the data period, flows at this site were approximately $1.5 \text{ ft}^3/\text{sec}$.

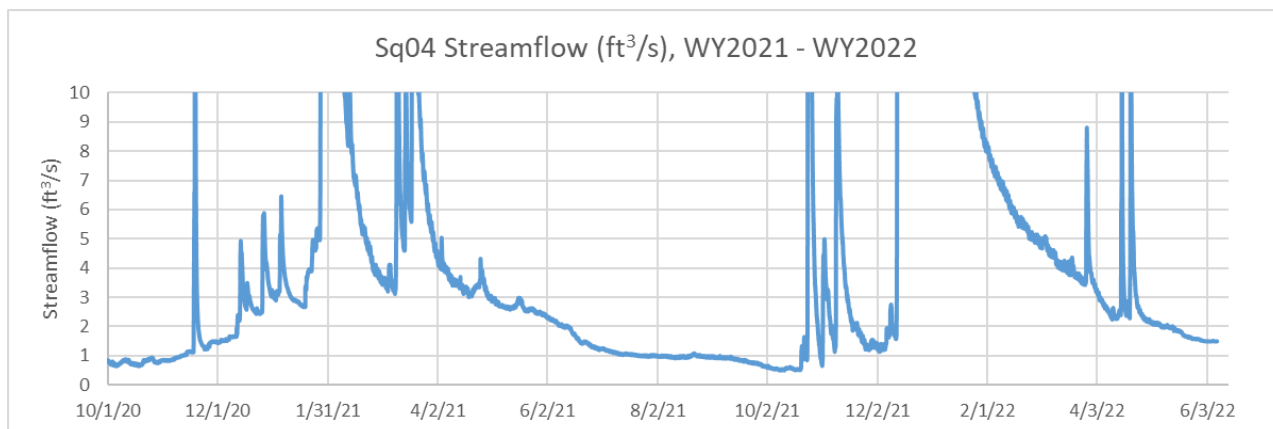


Figure 6. Streamflow conditions at (Sq04) Soquel Creek at the Quarry.

Figure 7 shows data from the gage (Sq01) Soquel Creek above the West Branch confluence, for October 2021 through early June 2022. This gage is the second gage downstream in the network of gages on mainstem Soquel Creek, located just upstream of the confluence with the West Branch of Soquel Creek. In October 2021, flows were at a low summer baseflow of approximately $0.6 \text{ ft}^3/\text{sec}$. Starting in November 2021, flows began to rise and fall with winter rainstorms, with the first flows rising to about $10 \text{ ft}^3/\text{sec}$. The highest flows of the season were in late January and early February. Between storms, winter base flows ranged between 0.5 and $3.5 \text{ ft}^3/\text{sec}$. The last larger winter storm of the season was in late March; following this storm flows gradually receded, reaching a low summer baseflow of approximately $0.1 \text{ ft}^3/\text{sec}$ in early August. Flows approached disconnection in August, September, and early October, with flows dropping below $0.01 \text{ ft}^3/\text{sec}$ during this time, the lowest dry season flows observed in the gage network.

Flows rose from their dry season lows in response to the late October 2021 storm, then fell to a winter baseflow of about $1 \text{ ft}^3/\text{sec}$. Flows rose and remained elevated during the December 2021 storms, receded in early winter, and rose again during the larger late spring storms that occurred in March and April 2022. In early June 2022, the end of the data period, flows at this site were $1.5 \text{ ft}^3/\text{sec}$.

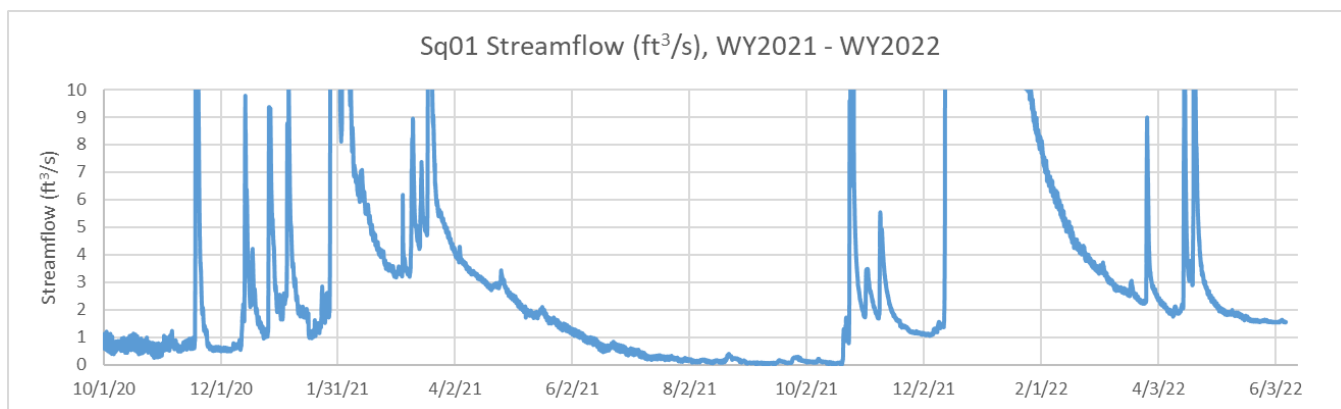


Figure 7. Streamflow conditions at (Sq01) Soquel Creek above the West Branch confluence.

Figure 8 shows data from the gage (Sq02) West Branch of Soquel Creek, for October 2021 through early June 2022. This gage is the sole gage located on the West Branch of Soquel Creek, and is located just upstream of

the confluence with the mainstem of Soquel Creek. In October 2021, flows were at a summer baseflow of approximately 1 to 1.5 ft³/sec. Starting in November 2021, flows responded to small early winter storms, but flows did not spike as high as in sites on the mainstem of Soquel Creek. As observed in the mainstem, the highest flows of the season were in late January and early February. Between storms, winter base flows ranged between 1.5 and 2 ft³/sec. As flows receded following the last larger winter storm in late March, reaching a baseflow of 0.5 to 1.5 ft³/sec. Flows in this branch of the watershed were lower than the mainstem during the winter, but maintained a higher summer baseflow than observed at the Sq01 gage, suggesting flows in this branch are less flashy than the mainstem.

Flows rose from their dry season lows in response to the late October 2021 storm, then fell to a winter baseflow of about 1.5 ft³/sec. Flows rose and remained elevated during the December 2021 storms, receded in early winter, and rose again during the larger late spring storms that occurred in March and April 2022. In early June 2022, the end of the data period, flows at this site were 1.3 ft³/sec, similar to those observed at upstream mainstem sites.

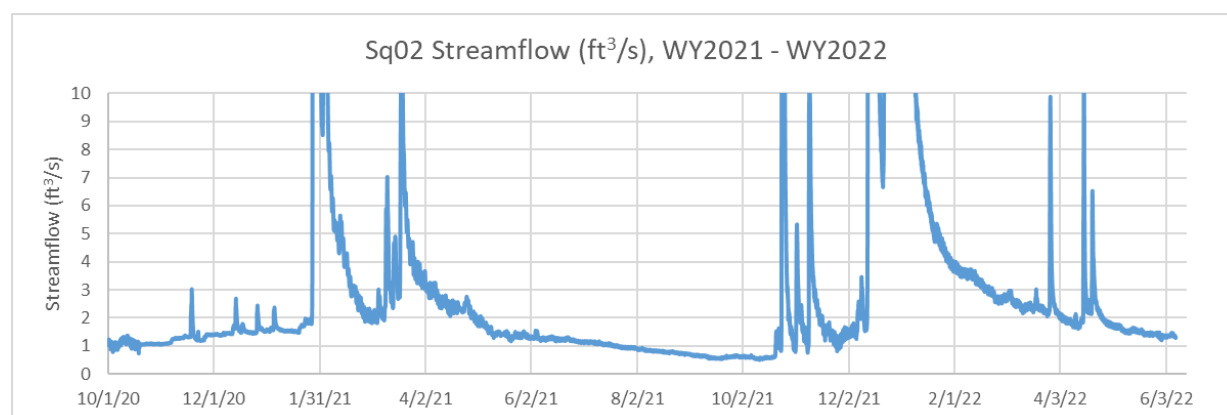


Figure 8. Streamflow conditions at (Sq02) West Branch of Soquel Creek.

Figure 9 shows data from the gage (Sq03) Soquel Creek above Bates Creek, for October 2021 through early June 2022. This gage is the furthest downstream in the network, located in the mainstem channel below the confluence of the West Branch, and just upstream of the confluence with Bates Creek. In October 2021, flows were the highest of any gage in the network, with summer baseflows of 2 ft³/sec. Starting in November 2021, flows began to rise and fall with winter rainstorms. As seen at the gages upstream, the highest flows of the season were in late January and early February. Between storms, winter base flows ranged between about 4 and 7 ft³/sec. The last larger winter storm of the season was in late March; following this storm flows receded steadily through the spring and early summer, eventually reaching a baseflow of 1.10.5 ft³/sec. In early October 2021, flows briefly dropped below 0.5 ft³/sec.

Flows rose from their dry season lows in response to the late October 2021 storm, then fell to a winter baseflow of about 3 ft³/sec. Flows rose and remained elevated during the December 2021 storms, receded in early winter, and rose again during the larger late spring storms that occurred in March and April 2022. In early June 2022, the end of the data period, flows at this site were approximately 3 ft³/sec, the highest flow observed at all gages in the network.

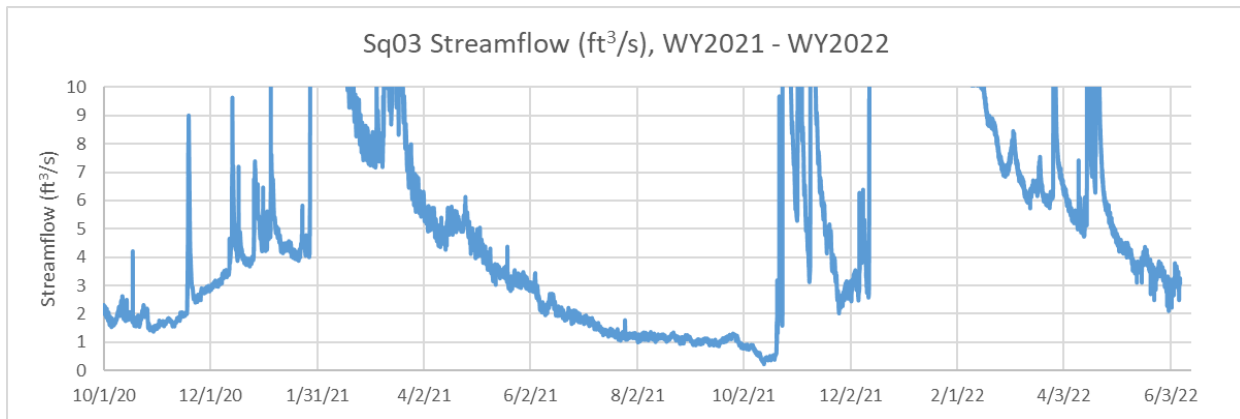


Figure 9. Streamflow conditions at (Sq03) Soquel Creek above Bates Creek.



4. Conclusion

The gage data presented in this report represent two dry years. Rainfall in WY2021 was 17.2 inches, 40% less than average and rainfall in WY2022 (thru August 2022) was 22.2 inches, approximately 25% less than average. Out of the four gage study sites, lowest summer baseflows observed at (So01) Soquel Creek above the Confluence with West Branch. Based on TU's human water demand analysis conducted as part of the WCB streamflow enhancement grant (RCDSCC 2019), the loss in flow at this site could be impacted by the residential houses upstream of the gage as well as potential near stream groundwater pumping. Gage site (Sqo3) Soquel Creek above Bates Creek consistently gained flow from its upper tributaries thought the year, with the highest flows in the network consistently observed. Streamflow at gage site (Sq02) West Branch Soquel Creek were lower than the mainstem during the winter but maintained a higher summer baseflow than observed at the nearby mainstem gage site (Sq01) Soquel Creek at the Quarry, suggesting flows in this branch are less flashy than the mainstem.

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