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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

Board of Directors Meeting

Thursday, March 16, 2023, at 6:00 p.m.
Capitola Library, 2005 Wharf Road, Capitola

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. Guidelines attached.
- 4. Consent Agenda (Page 3)**
 - 4.1 Approve December 15, 2022, Meeting Minutes
 - 4.2 Acknowledge Member Agency Board Appointments
- 5. General Business (Page 8)**
 - 5.1 Conduct Annual Election of Officers
 - 5.2 Approve Submittal of the Santa Cruz Mid-County Basin Water Year 2022 Annual Report to the Department of Water Resources
 - 5.3 Review Budget for Fiscal Year 2022-23 and Consider Preliminary Budget for Fiscal Year 2023-24
 - 5.4 Provide Input on Public Remote Participation at Future Meetings
- 6. Informational Updates (Page 57)**
 - 6.1 Treasurer's Report
 - 6.2 Staff Reports
 - GSP Implementation Status Update
 - SGWP Grant Update
 - SGMI Grant Update
 - Other
- 7. Future Agenda Items**
- 8. Written Communications and Submitted Materials**

Next Board Meeting: June 15, 2023



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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
Board of Directors Remote-Access Meeting
Thursday, December 15, 2022, at 6:00 p.m.**

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 (late arrival), David Baskin, Zach Friend, Jon Kennedy, Jim Kerr, Manu Koenig, Tom LaHue, and Marco Romanini; Alternative Directors Doug Engfer and Rachél Lather

Directors absent: Bruce Jaffe, Rob Marani and Donna Meyers

Staff present: Ralph Bracamonte, Ron Duncan, Rosemary Menard, Sierra Ryan

Consultants present: Tim Carson, Rob Swartz, and Laura Partch, Regional Water Management Foundation (RWMF)

Others: Robert Schultz (Alternate Director) and at least 1 member of the public

3. Consider Addition of a Late Item to the Agenda and Approval of Resolution No. 22-05

The continued need for a Board Resolution on remote-meeting requirements came to the attention of staff after the agenda was posted. Conditions required for remote meeting have not changed. Additions to an agenda require a motion by vote of 2/3 of the directors present.

MOTION: Director Kennedy; Second, Director Friend. To approve addition of a late item to the agenda pursuant to Government Code § 54954.2(b) regarding Assembly Bill 361 (Virtual Meeting) and adopt Resolution No. 22-05, authorizing the meeting of the Board to be held virtually in accordance with Government Code § 54953(e). Motion passed unanimously by roll call vote.

Oral Communications Related to Items Not on the Agenda

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

Tim Carson welcomed Rob Swartz, who brings pertinent experience to the full-time Senior Planner position with RWMF. Under the contract between RWMF and the County of Santa Cruz, Rob's role as Senior Planner for Groundwater Sustainability is split between the MGA and the Santa Margarita Groundwater Agency.

4. Consent Agenda

- 4.1 Approve September 15, 2022, Meeting Minutes
- 4.2 Accept Audited 2021/2022 Financial Statements
- 4.3 Approve 2023 MGA Board Meeting Schedule
- 4.4 Approve Policy for Reviewing Well Permits under Executive Order N-7-22

MOTION: Director Friend; Second, Director Koenig. To approve the consent agenda as amended by a correction to Item 4.2 as identified by MGA Treasurer Leslie Strohm. Motion passed unanimously by roll call vote; Director Kennedy abstained on Item 4.1.

5. General Business

5.1 Approve Amendment #2 to the Fund Agreement between MGA and County of Santa Cruz

Staff outlined a proposed second amendment to the Fund Agreement between the County of Santa Cruz and the MGA. As set out in the Board memo, the amendment addresses changes for both the Balance Hydrologics and Storesund contracts, and that grant funds will partially offset the cost for the changes.

MOTION: Director Baskin; Second, Director Kennedy. To authorize the Board Chair to execute Amendment #2 to the Fund Agreement with the County of Santa Cruz for monitoring, administrative and planning services, and data management system. Motion passed unanimously by roll call vote.

5.2 Approve Consultant Selection for Basin Stream Monitoring and Related Services and Authorize Execution of Contract

Staff reported that having expanded the Basin monitoring network with new streamflow and groundwater monitoring sites, the MGA is now pivoting to a multi-year contract for monitoring streamflow and other services in the Basin.

A Request for Proposals was released in October. Member Agency and RWMF staff reviewed and ranked the three responsive proposals and interviewed each responder. Based upon the evaluation criteria, the Trout Unlimited proposal was determined to best meet the needs of the MGA.

MOTION: Director Baskin; Second, Director Romanini. To approve the selection of Trout Unlimited for Basin Stream Monitoring and Related Services and authorize the General Manager of Soquel Creek Water District to finalize contract negotiations and authorize the Board Chair to execute the contract for professional services.

5.3 Receive Groundwater Extraction Metering Plan for Non-De Minimis Users

The Metering Plan includes minor changes based on Board input from the September meeting and additional staff review. Rob Swartz will take the lead in using the Metering Plan as a foundation for developing a Metering Policy and Program.

The possibility of subsidies or grants to assist with the cost of metering will be addressed in the Metering Program. The current criteria for establishing non-de minimis users is based on existing and estimated water use. Finalized criteria will be included in the Metering Policy and Program, and any disputes would come to the MGA Board.

Public comment: Becky Steinbruner regarding the criteria for determining use and urged developing trust and buy-in from the public.

MOTION: Director Engfer; Second, Director Baskin. To 1) receive and accept the Groundwater Extraction Metering Plan Santa Cruz Mid-County Groundwater Basin written by Geosyntec Consultants and 2) direct staff to craft a policy for future adoption based on the guidance in the Metering Plan.

6. Informational Updates

6.1 Treasurer's Report

No comments.

6.2 Staff Reports

NOAA Letter to County of Santa Cruz

A letter from National Oceanic and Atmospheric Administration requests that the County change the well permitting process to reduce the number of ministerial approvals. The County response will be provided to the Board.

Public comment: Becky Steinbruner encouraged the MGA to follow Sonoma County regarding the connections between surface streamflow and wells and also public trust/participation.

City of Santa Cruz Updates

Included in the packet are shared informational items on work by the City of Santa Cruz as part of the development of its policy, *Securing our Water Future*. The City set a reliability goal and evaluated a set project concepts, operating costs, and other criteria, including energy. The information provided demonstrates that the impact of doing nothing is about fifty times more expensive than doing the projects.

Public comment: Becky Steinbruner on tools in the information provided by the City.

Rosemary Menard provided additional information regarding water affordability.

DWR AEM Surveys

The Department of Water Resources (DWR) conducted Airborne Electromagnetic surveys in California in 2022, including in inland areas of Santa Cruz County in November. DWR will publish the flight lines and then issue a report on the findings in about six months.

Future Requests for Qualifications for legal services

Staff anticipates that in the coming year the MGA may need specialized legal assistance on the requirements of Sustainable Groundwater Management Act.

Ethics Training Tuesday, 2/7 @ 5:00 to 7:00PM

Invitation from the District will be forwarded to all Directors and Alternates.

March MGA Board meeting will be held in person at the Capitola Library.

6.3 Annual status Report on Board FPFC Compliance

7. Future Agenda Items

None.

8. Written Communications and Submitted Materials

None.

9. Adjournment

Chair LaHue adjourned the meeting at 6:48 PM.

Next Board Meeting: March 16, 2023

March 16, 2023

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 4.2

Title: Acknowledge Member Agency Board Appointments

The Joint Powers Agreement of the Santa Cruz Mid-County Groundwater Agency provides for each Member Agency to appoint two directors and one alternate director to the Board of Directors. The current Member Agency appointments are:

Soquel Creek Water District

- Tom LaHue
- Carla Christensen
- Rachél Lather (Alternate)

City of Santa Cruz

- Fred Keeley
- David Baskin
- Doug Engfer (Alternate)

Central Water District

- Robert Marani
- Marco Romanini
- Francis Basich Whitney (Alternate)

County of Santa Cruz

- Zach Friend
- Manu Koenig
- Allyson Violante (Alternate)

Recommended Board Action:

1. Informational, no action necessary.

Submitted by: Tim Carson
Program Director
Regional Water Management Foundation

March 16, 2023

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 elected officers of the Santa Cruz Mid-County Groundwater Agency Board of Directors are the Chair, Vice Chair, and Secretary. Officers are elected annually. Directors may make nominations for each of the elected offices. 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.

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

March 16, 2023

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2

Title: Approve Submittal of the Santa Cruz Mid-County Basin Water Year 2022 Annual Report to the Department of Water Resources

Attachments:

1. [Draft 2022 Annual Report](#)
2. Submittal Letter to DWR
3. Montgomery & Associates Presentation on the 2022 Annual Report

Recommended Board Action: Approve the submittal of a transmittal letter and the Santa Cruz Mid-County Basin Water Year 2022 Annual Report from the MGA Basin Point of Contact to DWR in accordance with California Code of Regulations, Tit. 23, secs. 353.4 and 356.2.

BACKGROUND

The Groundwater Sustainability Plan (GSP) for the Santa Cruz Mid-County Basin was approved by the Department of Water Resources (DWR) on June 3, 2021.

Following adoption of a GSP, the Sustainable Groundwater Management Act (SGMA) requires Groundwater Sustainability Agencies (GSAs) to submit an Annual Report to DWR by April 1 of each year. The Annual Report provides data on groundwater conditions and a narrative description of the progress made toward implementing the GSP in the prior water year.

Annual Reports for Water Years 2019, 2020, and 2021 were prepared by Montgomery & Associates and are available on the MGA website and on the SGMA portal. The Annual Report for Water Year 2022, which covers October 1, 2021 to September 30, 2022, was also prepared by Montgomery & Associates.

DISCUSSION

The California Department of Water Resources (DWR) lists the Santa Cruz Mid-County Basin (Basin) as a high priority basin in critical overdraft. The high priority designation indicates that water users in the Basin have high dependence on groundwater. The Basin is listed in critical overdraft principally because active seawater intrusion impacts its productive aquifers because of over-pumping.

WY 2022 was a normal water year following a critically dry year in WY 2021. The water year type designation was influenced by heavy storms that occurred in early WY 2022, while the remainder of the year was relatively dry.

Water supply for the Basin's residents, businesses, industry, and agriculture is predominantly groundwater. Groundwater pumped from the Basin makes up 59% of the water supply with surface water sourced from outside the Basin making up the remaining 41%. Since 2015, between 4,700 and 5,600 acre-feet (AF) has been pumped annually from the Basin's aquifers and between 2,900 and 4,000 AF of surface water has been used to annually supplement Basin demand.

Historically, up to 8,200 AF of groundwater was pumped from the Basin leading to groundwater levels in the mid-1980s to early 1990s to be 40 to 120 feet below sea level. The overdraft led to localized seawater intrusion of some freshwater aquifers. With the reduction in groundwater pumping due to water conservation and strategic groundwater management, groundwater levels have recovered significantly but seawater intrusion persists. Climate change threatens to change groundwater recharge patterns and place more stress on the groundwater resource. Additional water supplies are needed to meet projected demands as the MGA strives to achieve the sustainability goals in the GSP by 2040.

The GSP lays out a 20 year path to sustainability by describing sustainability goals and basin conditions representing desired groundwater conditions for all beneficial uses and users. A network of wells and stream gages is monitored regularly to determine groundwater conditions at different times of the year. The Annual Report compares basin conditions to groundwater levels and groundwater quality criteria assigned to representative monitoring wells. This allows for a way to measure progress towards sustainability as projects and management actions are implemented. Every 5 years from the time the GSP was submitted, the MGA must evaluate its GSP to determine if it continues to lay out an achievable path to sustainability by the SGMA deadline of 2040. SGMA allows for adaptive management of the GSP which means it can be changed to reflect new information or new approaches to achieving sustainability. The first 5-year GSP evaluation is due January 31, 2025.

An evaluation of groundwater levels, quality, and extraction data collected in WY 2022 finds that:

- **Seawater intrusion** as measured by groundwater levels near the coast and chloride concentrations appears to be advancing inland based on increased chloride concentrations in the Seascape area. Other areas of known seawater intrusion at Soquel Point do not have increasing chloride concentrations. Some groundwater elevations at the coast are below elevations that provide

protection against seawater intrusion. Based on the GSP defined undesirable seawater intrusion conditions, undesirable results continue to occur.

- **Chronic lowering of groundwater levels** as measured by groundwater levels, indicates no undesirable lowering of groundwater levels are occurring even though groundwater levels have declined over the past 3 years.
- **Reduction of groundwater in storage** as measured by the volume of groundwater extracted from principal aquifers continues to occur in the Purisima and Aromas aquifers. According to the definition of undesirable results in the GSP for this indicator, undesirable results are occurring because not all aquifers are being pumped within their sustainable yield.
- **Degradation of groundwater quality** as measured by concentrations of constituents of concern are below drinking water standards, excluding iron and manganese which are naturally occurring. This means there is no undesirable groundwater quality degradation occurring.
- **Depletion of interconnected surface water** as measured by proxy groundwater levels near interconnected creeks is occurring in one of the 5 representative monitoring wells which constitutes undesirable depletion. This is an improvement over last water year when there were 3 of 5 wells with groundwater levels below the minimum threshold.

In WY 2022, the MGA and its member agencies worked to implement projects and management actions included in the GSP to support a sustainable basin:

1. Filled data gaps identified in the GSP by completing monitoring wells in the coastal Purisima AA unit aquifer (1 deep monitoring well) and for monitoring interconnected surface water (6 new shallow monitoring wells). Six paired stream gages were installed near new shallow monitoring wells.
2. MGA developed a regional Data Management System (DMS) together with the Santa Margarita Groundwater Agency and County of Santa Cruz to store groundwater data as required by SGMA. DMS completion is expected by May 2023.
3. A Sustainable Groundwater Implementation grant of \$7.6 million was awarded to the MGA to assist with implementing various projects to optimize water resources, redistribute coastal pumping to inland locations and add a new inland production well, replace aging infrastructure and mitigate water distribution bottlenecks, and adding an existing production well to the City of

Santa Cruz Water Department's (SCWD's) aquifer, storage, and recovery (ASR) program.

4. Construction of infrastructure for Pure Water Soquel continued with completion of nine monitoring wells and pre-construction activities of civil infrastructure at seawater intrusion prevention well sites such as the backwash basins and preparing for electrical and other equipment needs.
5. SCWD ASR demonstration study initiated to understand operational issues associated with full-scale injection and extraction rates prior to implementing permanent design changes to these facilities. It is expected California State Water Resources Control Board will respond before the end of 2023 to water rights petitions for change that will lead to phased implementation of full-scale ASR.

Three main points to take away from the Annual Report are:

1. Chloride concentration increases in Seascapes area monitoring wells indicate seawater intrusion is locally moving inland. It is strongly recommended the MGA evaluate local non-municipal well pumping in the area because municipal pumping is already very limited in this area.
2. SCWD injected and recovered 265 acre-feet of surface water. This helped offset demand that would otherwise have decreased groundwater in storage.
3. Groundwater levels adjacent to Soquel Creek improved. Four of the five representative monitoring wells for interconnected surface water have elevations above their minimum thresholds, whereas last year only two wells above this threshold.

Recommended Board Actions:

1. By MOTION, approve the submittal of a transmittal letter and the Santa Cruz Mid-County Basin Water Year 2022 Annual Report from the MGA Basin Point of Contact to DWR in accordance with California Code of Regulations, Tit. 23, secs. 353.4 and 356.2.

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



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April 1, 2023

To: California Department of Water Resources

From: Santa Cruz Mid-County Groundwater Agency

Subject: Submittal of the Fourth Annual Report for the Santa Cruz Mid-County Groundwater Agency

The Santa Cruz Mid-County Groundwater Agency (MGA) is the Groundwater Sustainability Agency for the Santa Cruz Mid-County Groundwater Basin, Number 3-001 (Basin). The Basin is classified by the California Department of Water Resources (DWR) as a high priority basin in a state of critical overdraft.

The MGA formed in March 2016 as a Joint Powers Authority, with four member agencies: Central Water District, City of Santa Cruz, County of Santa Cruz, and Soquel Creek Water District. The MGA Board of Directors includes two representatives from each member agency and three private well owner representatives. The MGA initiated development of the Groundwater Sustainability Plan (GSP) in 2017 to guide ongoing management of the Basin with a goal to achieve and maintain groundwater sustainability over a 50-year planning and implementation horizon. GSP development was a collaborative effort among the member agencies and technical consultants, and was informed by input from resource management agencies, community members, and stakeholders.

The GSP was adopted by the MGA Board on November 21, 2019, and approved by DWR in June 2021. The following annual reports have been submitted to DWR: First Annual Report for Water Year 2019 (submitted April 1, 2020); Second Annual Report for Water Year 2020 (submitted April 1, 2021); and Third Annual Report for Water Year 2021 (submitted April 1, 2022).

The MGA is pleased to submit the Fourth Annual Report to the Department of Water Resources, for Water Year 2022, as required by the California Code of Regulations for Groundwater Sustainability Plans.

Feel free to contact me if you have any questions,

Sierra Ryan
 Santa Cruz Mid-County Groundwater Agency Plan Manager
 (831) 454-3133
BasinPOC@midcountygroundwater.org

Santa Cruz Mid-County Basin 4th Annual Report Water Year 2022



Presented by: Georgina King, PG, C.Hg

March 16, 2023

Presentation Content

1. Santa Cruz Mid-County GSP Overview
2. WY2022 Annual Report
 - Water Year Type/Water Use
 - Sustainability Indicators Results
 - Progress on GSP Implementation
3. Key take aways for WY2022

Santa Cruz Mid-County GSP Overview

GSP Overview

- Basin is classified as a high-priority groundwater basin in critical overdraft due to the ongoing threat of further seawater intrusion into Basin groundwater supplies
- 59% of the Basin's water supply to residents, businesses, industry, and agriculture is from groundwater
 - ~ 4,700 – 5,600 AF of groundwater pumped per year in the Basin since 2015
 - ~ 2,900 – 4,000 AF of surface water sourced outside of the Basin used to supplement Basin demand since 2015

GSP Summary document:

<https://www.midcountygroundwater.org/sites/default/files/uploads/MGA2019-GSP-Public-final.pdf>

SGMA Sustainability Indicators

GSP addresses applicable sustainability indicators (5 of 6)



Lowering
GW Levels



Seawater
Intrusion



Reduction
of Storage



Degraded
Quality



~~Land
Subsidence~~



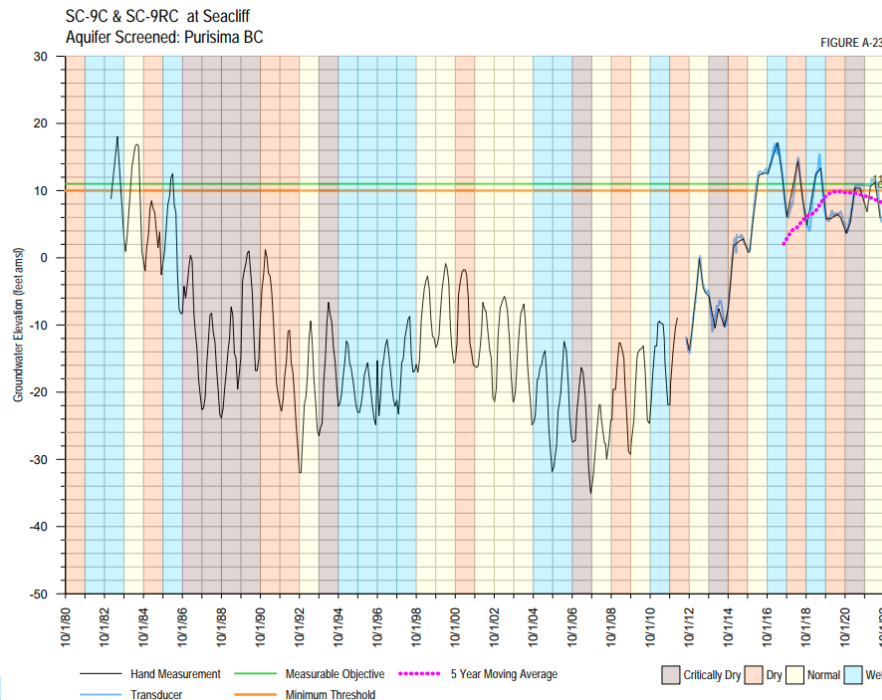
Surface Water
Depletion

Basin Issues – Seawater Intrusion



Seawater
Intrusion

- In mid 1980s to early 1990s, groundwater levels were 40 – 120 feet below sea level → seawater intrusion
- Levels have recovered significantly but seawater intrusion still occurs

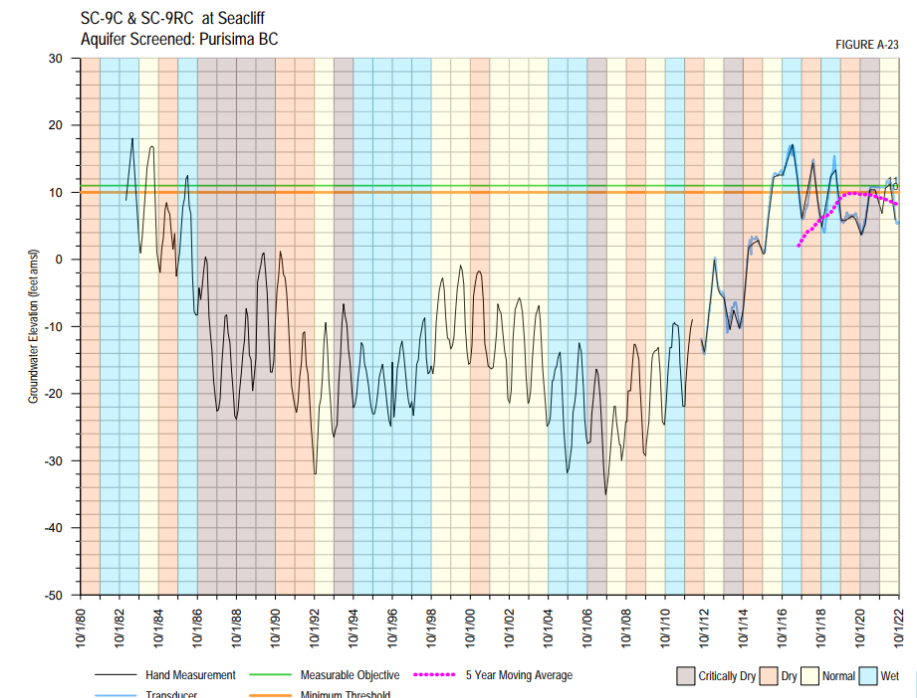


Basin Issues – Chronic Lowering of Groundwater Levels



Lowering
GW Levels

- Groundwater levels have not completely recovered even though there have been basin-wide improvements due to increased water conservation and strategic groundwater management
- Need to plan for climate change and its impacts on groundwater recharge
- Additional water supplies are needed to meet demands while achieving groundwater sustainability



Other Basin Issues Resulting from Lowered Groundwater Levels



Depletion of Interconnected Surface Water

- Some creeks in the Basin are partially dependent on inflows from groundwater
- Without those groundwater inflows, some aquatic plants and animals may be impacted, including priority species

Reduction of Groundwater in Storage



- Groundwater in storage needs to be at volumes that can support long-term water use, preserve or enhance ecological resources, and provide for a drought reserve when local rainfall is below normal

GSP Lays out Path to Sustainability

Sustainability Goals

Desired Basin conditions for all beneficial uses and users

Monitoring Network

To measure basin conditions in response to groundwater management and use

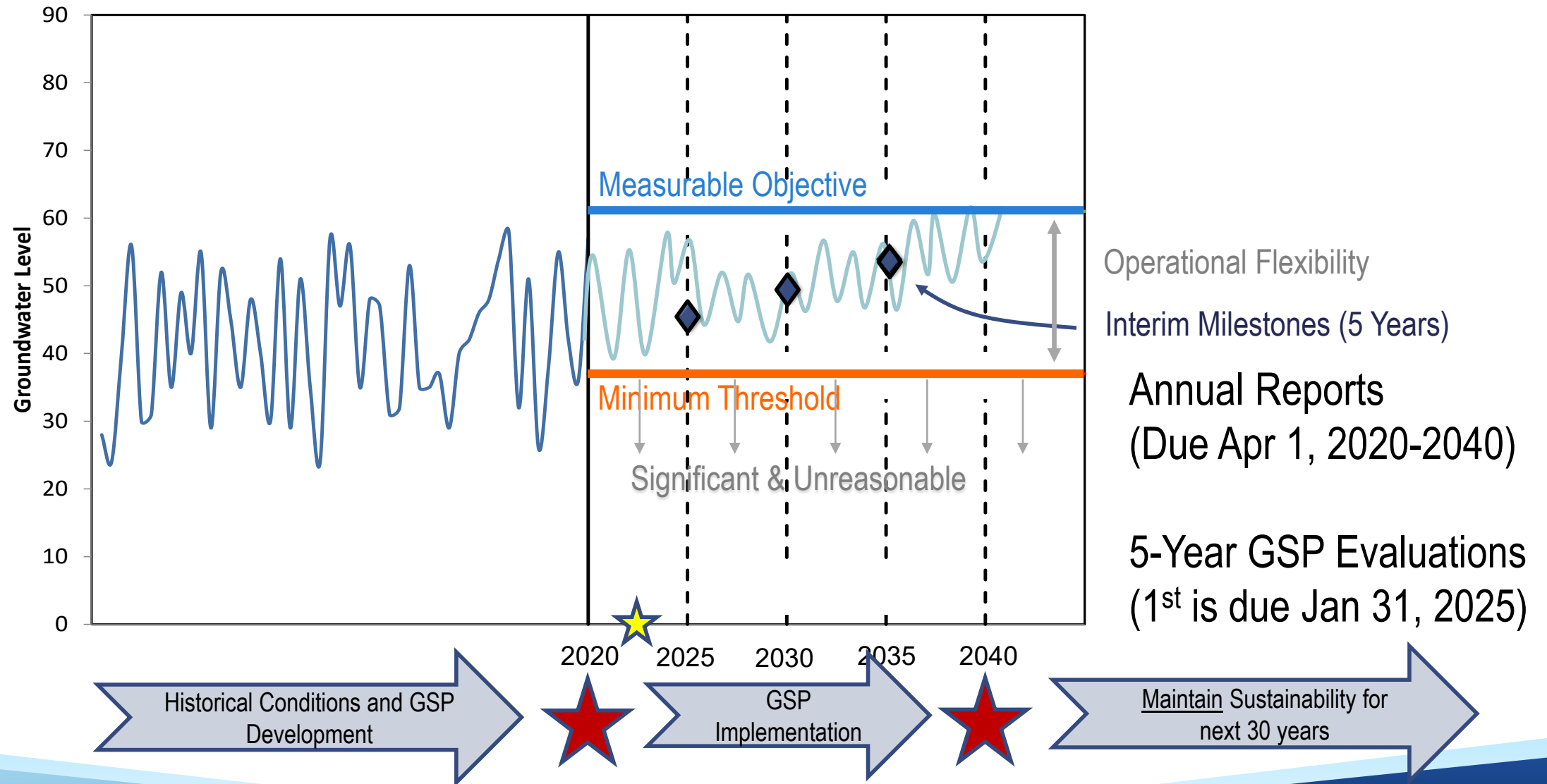
Sustainable Management Criteria

Metrics against which to measure progress of groundwater management and implementing projects & management actions

Projects & Management Actions

Needed to achieve Sustainability Goals

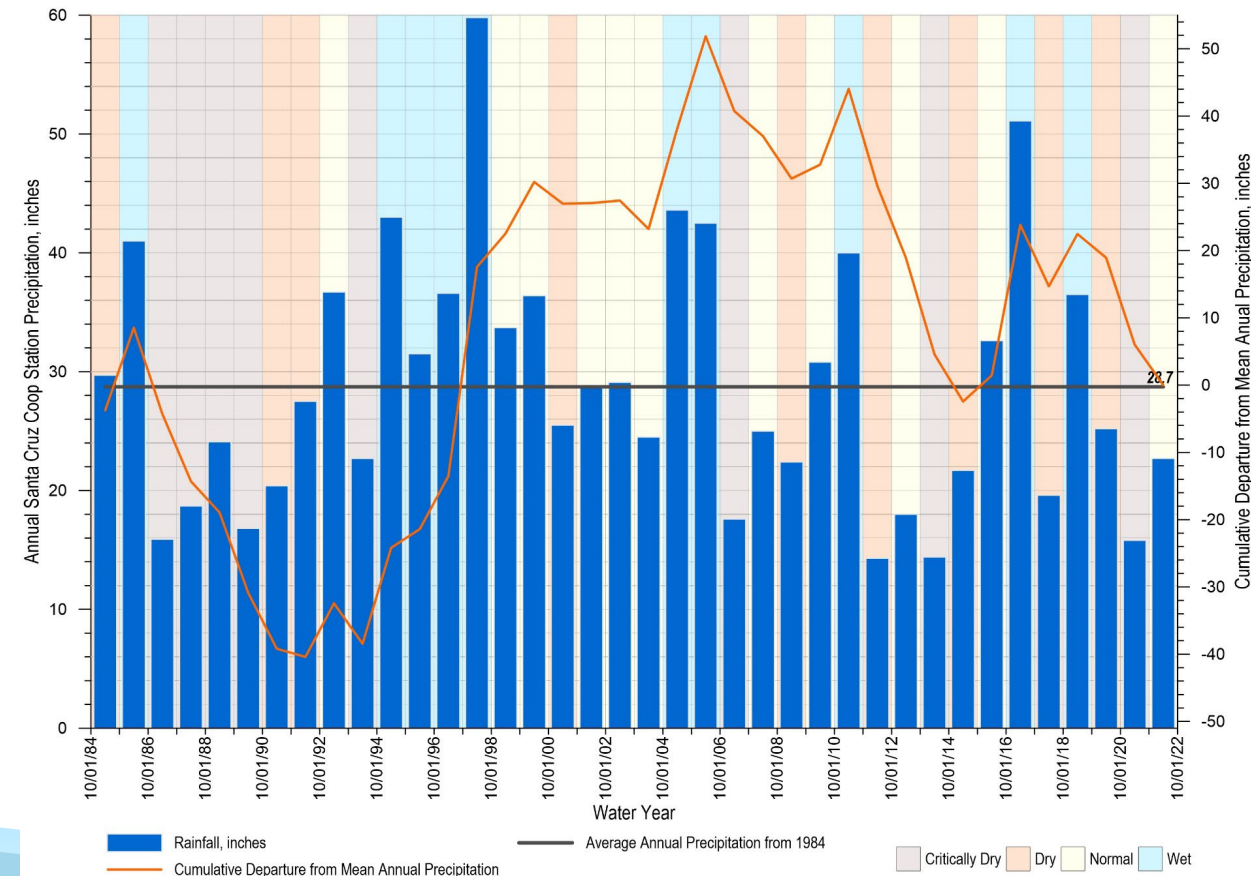
MGA's SGMA Timeline



WY2022 Annual Report

Precipitation

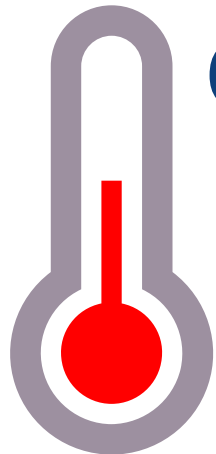
- October 1, 2021 to September 30, 2022
- Normal water year classification
- Below average precipitation



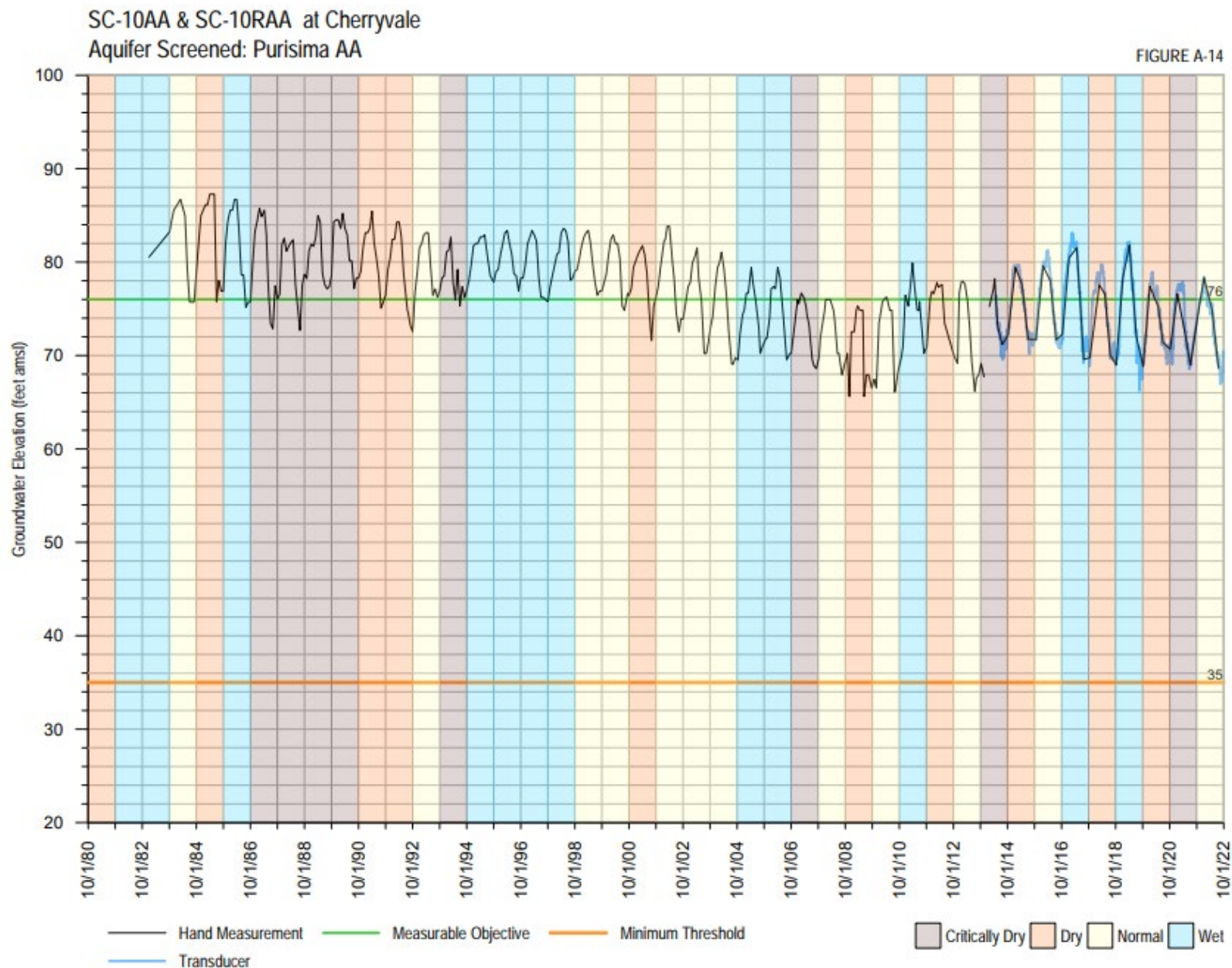
Water Use

- Groundwater is 59% of basin supply
- Second lowest groundwater usage over past 13 years

Water Use Sector	Groundwater Use	Surface Water Use ¹	Total Water Use	Percentage of Basin Water Use
	Acre-feet			
Private Domestic ²	671	Unknown but minimal	671	7%
Agricultural ³	406	0	406	5%
Institutional ⁴	263	0	263	3%
Municipal ⁵	3,761	3,594	7,354	85%
Total	5,101	3,594	8,695	



Compare Basin Conditions to Sustainable Management Criteria at Representative Monitoring Points



Seawater Intrusion – Chloride Concentrations

Measurable Objective

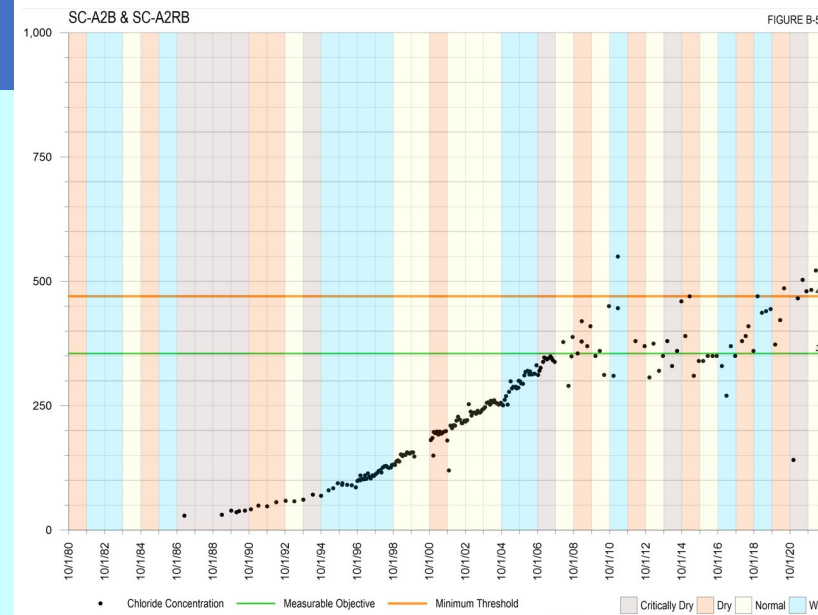
2013-2017 average chloride concentration for all intruded wells, 100 mg/L for unintruded inland wells

Minimum Threshold

Historical maximum concentration for intruded wells, 250 mg/L for unintruded coastal wells, 150 mg/L for unintruded inland wells

Undesirable Result

Consecutive MT exceedances at any RMP well



Seawater Intrusion



Many wells have concentrations lower than MO (23/32)



4 RMP exceed MT: SC-A2RB, SC-A5B, SC-A5A, and SC-A8A



There are Undesirable Results at SC-A2RB, SC-A5B have consecutive MT exceedances

KEY FINDING: Undesirable results continue to occur SC-A2RB and SC-A5B have MT exceedances during past 2 water years

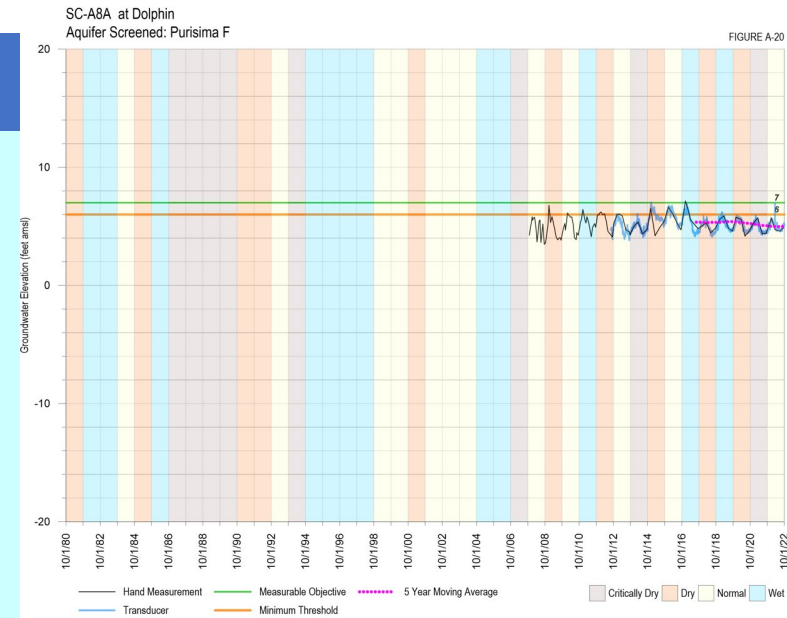
Measurable Objective (MO): goal for each sustainability indicator | **Minimum Threshold (MT):** indicator of potential concern | **Undesirable Result:** combination of MT exceedances that cause significant and unreasonable conditions

Seawater Intrusion – Proxy Groundwater Elevations

Measurable Objective
Conservative groundwater elevation proxies for seawater intrusion prevention

Minimum Threshold
Groundwater elevation proxy for protection against seawater intrusion

Undesirable Result
Any RMP wells have 5-year moving average elevations below MT



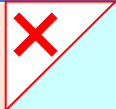
Seawater
Intrusion



MO are met at several RMPs screened in the Purisima F, DEF, and A units.



7 RMP have moving average elevations below MT
Purisima F (1/3),
Purisima BC (2/2),
Purisima A (2/6),
Purisima AA (1/3)
Tu (1/1)



There are Undesirable Results because some elevations are below MT

KEY FINDING:
Undesirable results continue to occur
All aquifers have at least 1 RMP with 5-year average elevations below MT

Measurable Objective (MO): goal for each sustainability indicator | **Minimum Threshold (MT):** indicator of potential concern | **Undesirable Result:** combination of MT exceedances that cause significant and unreasonable conditions

Chronic Lowering of Groundwater Levels

Measurable Objective

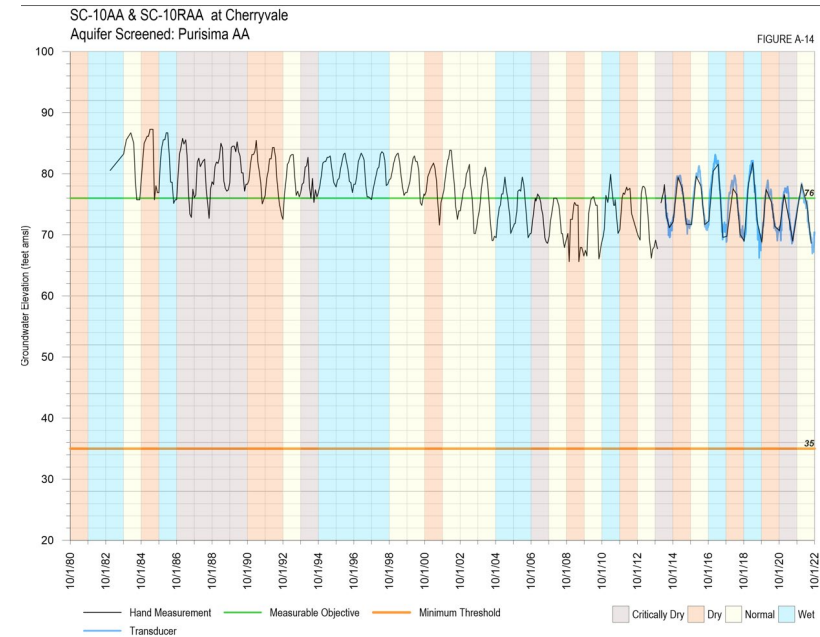
75th percentile
historical groundwater
elevation

Minimum Threshold

Based on levels that
sufficiently supply
overlying land use

Undesirable Result

Any RMP's average
monthly elevation falls
below MT



Lowering
GW Levels



MO was met at 1
RMP



No RMP wells
exceeded MT



There are no
Undesirable Results
as no RMP has
elevations below MT

KEY FINDING:
While groundwater
elevations at most RMP
have fallen for 3 years, they
remain above MTs

Measurable Objective (MO): goal for each sustainability indicator | **Minimum Threshold (MT):** indicator of potential concern | **Undesirable Result:** combination of MT exceedances that cause significant and unreasonable conditions

Reduction of Groundwater in Storage

Measurable Objective

Net extraction that allows for 4 subsequent years of maximum projected extraction without causing undesirable results

Minimum Threshold

Pumping volumes that avoid undesirable results in projected Basin simulations

Undesirable Result

5-year net extraction exceeds sustainable yield (MT) in any aquifer group

Aquifer Unit Group	Minimum Threshold	Interim Milestone 2025	WY 2018-2022
	Five-Year moving average Net Extraction, acre-feet per year		
Aromas Red Sands and Purisima F	1,740	1,930	2,042
Purisima DEF, BC, A and AA	2,280	2,110	2,432
Tu	930	720	802



Reduction of Storage

None of the 3 aquifer groups met their MOs



2/3 aquifer groups exceeded their MTs (Aromas Red Sands/Purisima F, Purisima DEF, BC, A, AA). The Tu did not exceed MT.



There are Undesirable Results as pumping was higher than MT for 2 aquifer groups

KEY FINDING:
Undesirable results continue to occur; this pattern is ongoing since at least 2019

Measurable Objective (MO): goal for each sustainability indicator | **Minimum Threshold (MT):** indicator of potential concern | **Undesirable Result:** combination of MT exceedances that cause significant and unreasonable conditions

Degradation of Groundwater Quality

Measurable Objective
2013-2017 average
concentrations

Minimum Threshold
Based on drinking
water standards for
several constituents of
concern

Undesirable Result
Any RMP exceeds MT
as a result of an MGA
project or
management action

Aquifer	Representative Monitoring Point	Total Dissolved Solids, mg/L	Chloride, mg/L	Iron, µg/L	Manganese, µg/L	Arsenic, µg/L	Chromium (Total), µg/L	Nitrate as Nitrogen, mg/L	Organic Compound Detects, µg/L
	Minimum Threshold	1,000	250	300	50	10	50	10	
		Water Year 2022 Maximum Concentration							
	SC-23A	274.0	19.5	40.0	5.0	NA	NA	0.01	NA
	SC-8RB	506.0	17.7	20.0	5.0	NA	NA	0.01	NA
	SC-9RC	408.0	31.4	10.0	5.0	NA	NA	0.01	NA
Purisima A	30th Ave Shallow	790.0	46.0	130.0	1,200.0	NA	NA	0.00	NA
	Pleasure Point Shallow	270.0	33.0	97.0	100.0	NA	NA	0.00	NA
	Estates PW	434.0	45.4	150.0	92.0	0.5	2.5	0.01	NA
	Garnet PW	684.0	85.5	1,480.0	439.0	0.5	1.3	0.01	NA
	Tannery 2 PW	572.0	61.1	240.0	155.0	0.5	0.9	0.01	NA
	Rosedale 2 PW	570.0	44.7	650.0	282.0	0.5	1.9	0.01	0.7 (MTBE)
	Beltz #8 PW	440.0	48.0	1,000.0	200.0	NA	NA	0.00	NA
	Beltz #9 PW	480.0	44.0	1,000.0	220.0	NA	NA	0.00	NA
	SC-3RC	458.0	47.8	80.0	42.0	NA	NA	0.01	NA
	SC-5RA	682.0	55.7	80.0	166.0	NA	NA	0.01	NA
	SC-9RA	368.0	14.3	90.0	12.0	NA	NA	0.01	NA
	SC-10RA	414.0	29.1	630.0	575.0	NA	NA	0.01	NA
	SC-22A	374.0	17.2	480.0	530.0	NA	NA	0.01	NA
Purisima A/AA	Beltz #10 PW	580.0	59.0	530.0	210.0	NA	NA	0.00	NA



MO are met at
several RMPs



Several RMPs
exceeded MT for
iron, manganese,
TDS, and chloride



There are no
Undesirable Results
because these MT
exceedances result
from existing natural
conditions

KEY FINDING:
While concentrations above
drinking water standard
exist, they are not a result of
Basin management



**Degraded
Quality**

Measurable Objective (MO): goal for each sustainability indicator | **Minimum Threshold (MT):** indicator of potential concern | **Undesirable Result:** combination of MT exceedances that cause significant and unreasonable conditions

Depletion of interconnected Surface Water

Measurable Objective

Groundwater elevations higher than the creek bed

Minimum Threshold

Highest seasonal-low groundwater elevation during below-average rainfall years from the start of monitoring through 2015

Undesirable Result

Any RMP has minimum monthly groundwater elevation below MT

RMP

Minimum Average Monthly Groundwater Elevation, feet amsl

Balogh	28.7
Main St. Shallow	22.6
Wharf Road	12.1
Nob Hill	9.0
SC-10RA	68.9



Surface Water Depletion



One RMP (Wharf Road) met its MO



One RMP (Balogh) has elevations below MT













There are Undesirable Results because there are elevations below MT

KEY FINDING:

While Undesirable Results continue, only 1 RMP has elevations below MT, while last year 3 RMPs have elevations below MTs

Measurable Objective (MO): goal for each sustainability indicator | **Minimum Threshold (MT):** indicator of potential concern | **Undesirable Result:** combination of MT exceedances that cause significant and unreasonable conditions

Summary of Sustainability Status for WY2022

				
Lowering GW Levels	Seawater Intrusion	Reduction of Storage	Degraded Quality	Surface Water Depletion
				

MGA has until January 2040 to Achieve Sustainability

Progress on GSP Implementation in WY2022

1. Fill data gaps in monitoring deep coastal aquifers and interconnected surface water
2. Data Management System
3. Implementation grant award of \$7.6 million
4. Pure Water Soquel
5. City of Santa Cruz Aquifer Storage & Recovery (ASR)

Monitoring Features Added – Filling Data Gaps Identified in GSP

WY
2020

SP-5 in
Tu unit

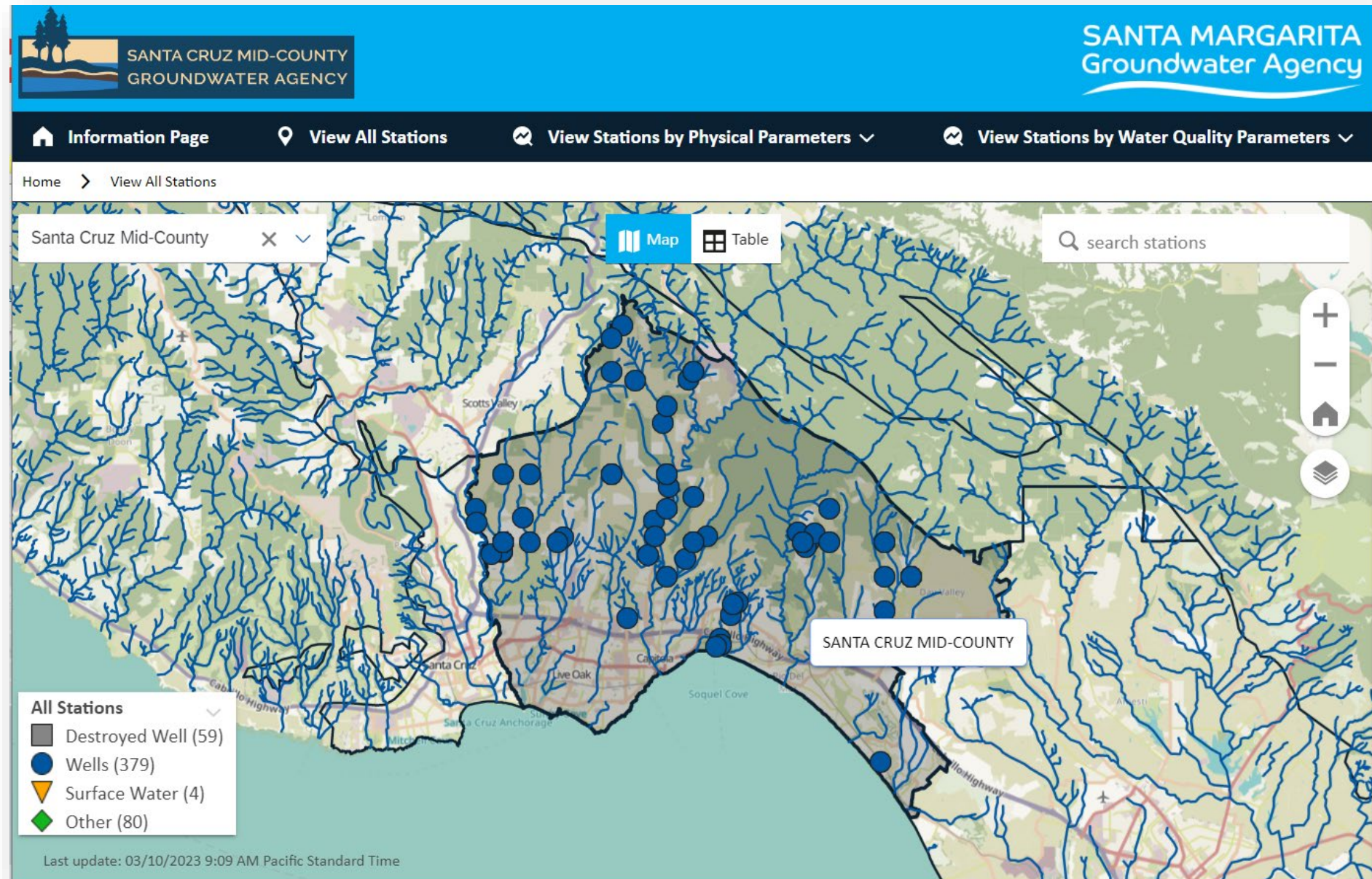
WY
2022

- SC-3AA in AA unit
- 6 of 7 shallow interconnected surface water monitoring wells
- 6 stream gages

WY
2023

- Well not completed in WY 2022?
- Stream gage ratings curves

Regional WISKI



Groundwater Sustainability Management Implementation Grant

\$7.6 million awarded to MGA in May 2022 to assist in implementing various projects aimed to improve basin sustainability:

- Study to optimize water resources
- Redistribute coastal pumping to inland locations and add a new inland production well
- Replace aging infrastructure and mitigate water distribution bottlenecks
- Add an existing production well to the City of Santa Cruz Water Department's (SCWD's) aquifer, storage, and recovery (ASR) program

Prior
Years

3
SWIP
Wells

WY
2022

- Pre-construction of civil infrastructure at SWIP well sites
- Foundation work for treatment facilities
- 9 SWIP Monitoring Wells

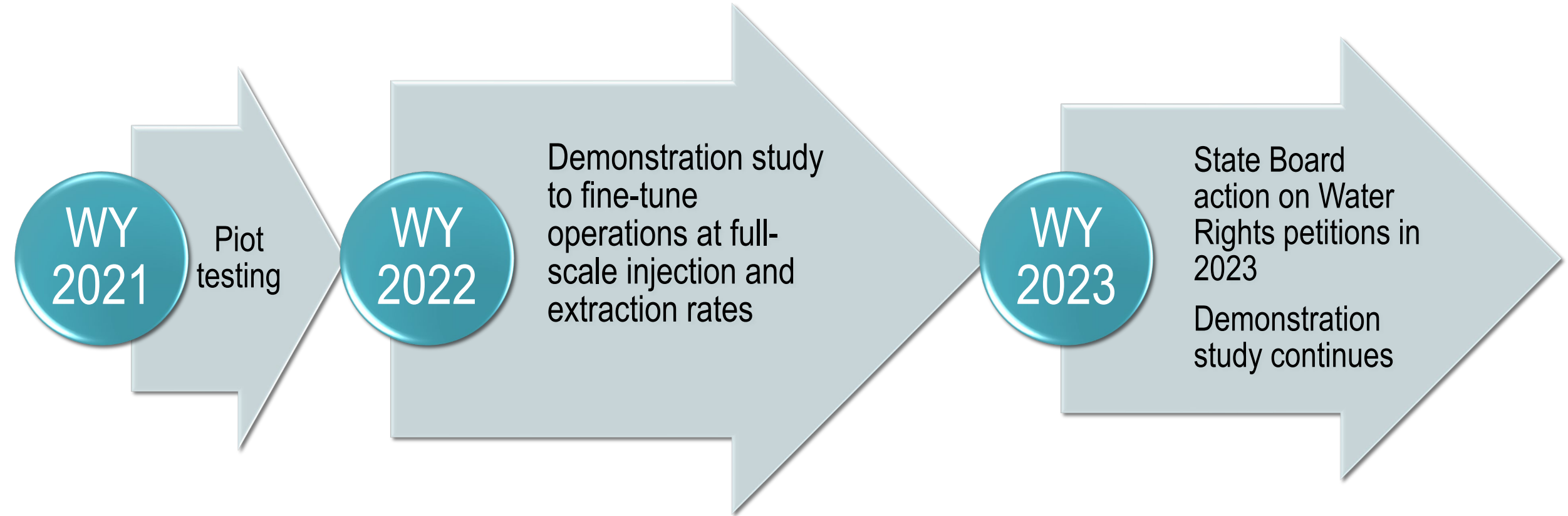
WY
2023

- Conveyance pipeline
- Treatment facilities

WY 2024



City of Santa Cruz ASR



Beltz 12 - not all injected water was recovered so had a net positive impact on basin

Key Take Aways for WY2022

Successful ASR Injection and Recovery Testing

- SCWD injected and recovered 265 acre-feet of surface water. This helped offset demand that would otherwise have decreased groundwater in storage
- Continued observation and adaptation required to ensure recovery pumping does not lower groundwater levels below MTs

Chloride Increases in Seascape Area

- Continued chloride increases in the Seascape area (SC-A5A, SC-A2RB)
- Strongly recommended MGA evaluate local non-municipal well pumping in this area



Seawater
Intrusion

Improvement in Interconnected Surface Water RMP Elevations

- Minimum Thresholds achieved in 4 of 5 RMPs
- Improvement over last year when 3 RMPs had groundwater elevations below MTs



Surface Water
Depletion

Questions

March 16, 2023

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.3

Title: Review Budget for Fiscal Year 2022-23 and Consider Preliminary Budget for Fiscal Year 2023-24

Attachments:

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

Recommended Board Action: Provide direction to staff to guide the completion of the FY 23/24 budget.

The Santa Cruz Mid-County Groundwater Agency (MGA) budget for fiscal year 2022-2023 (FY 22/23) and preliminary budget for fiscal year 2023-2024 (FY 23/24) are summarized in this memo and the accompanying Tables 1 and 2.

The FY 22/23 projected operating expenses are based upon the actual expenses incurred through the first half of the fiscal year (July 1 – December 31) and the projected expenses for the second half of the fiscal year (to June 30).

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

BEGINNING RESERVES

The projected beginning cash reserves for the MGA for FY 23/24 totals \$1,575,141. The beginning reserves amount is the surplus of revenue collected from the prior years over the actual expenses incurred during that year.

OPERATING REVENUE

Operating revenue consists of grant awards and Member Agency contributions.

Sustainable Groundwater Planning Grant (SGWP Grant)

Total: \$2,000,000; Years: 2018 - 2022

This Department of Water Resources (DWR) grant funded the development of the Groundwater Sustainability Plan (GSP) and is funding initial implementation activities through March 2023. Grant reimbursements received to date total \$1,536,194. Final grant reporting and close out will occur in spring 2023. The

remaining grant funds, which includes retention of 10% (\$200,000), are anticipated to be received in FY 23/24.

Sustainable Groundwater Management Implementation Grant (SGMI Grant)
Total: \$7,600,000; Years: 2022 – 2025

Awarded in 2022, this DWR grant partially funds planning activities and the implementation of selected projects and management actions identified in the GSP. The grant includes five (5) separate component projects (described further below in this memo). Components 1 – 4 are led by the Member Agencies; eligible project costs will be reimbursed by the grant. The lead Member Agencies are funding their respective Component(s) as work proceeds (e.g., consultant contracts) and will be reimbursed in arrears as the MGA is reimbursed by DWR via the quarterly grant submittals.

Member Agency Contributions – Revenue collected from Member Agencies funds operating expenses. The annual contributions amount is based upon projected operating expenses for the fiscal year, anticipated revenue from grants, and the amount in reserves. In FY 22/23, the total revenue contribution was \$312,000. In FY 23/24, the proposed upfront total revenue contribution is reduced \$100,000. In addition, revenue for SGMI grant administration (not reimbursed by that grant) will be contributed via annual invoices to Soquel Creek Water District and the City of Santa Cruz for the grant administration costs related to their respective SGMI Grant Components.

OPERATING EXPENSES

The Operating Expenses are presented in the following budget categories:

- Administration
- Legal Support
- Management and Coordination
- Monitoring: Network Expansion, Data Collection, Analysis and Management
- SGMA Planning and Coordination
- Outreach and Education

Budget Category: Administration

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

FY 22/23: The amount budgeted for this category is \$140,000; it is projected the budget will be fully expended.

FY23/24: The proposed budget is \$140,000.

Administrative support is provided by the Regional Water Management Foundation (RWMF), a subsidiary of the Community Foundation of Santa Cruz County. In March 2022, the County of Santa Cruz, acting on behalf of the MGA, issued a Request for Proposals for administrative and planning support. In June 2022, a three-year contract was awarded to the RWMF to provide these services.

The Soquel Creek Water District (SqCWD) Finance Manager is the Treasurer for the MGA and is responsible, with support from the SqCWD Finance staff, for the accounting and billing functions of the MGA. This budget category includes finance-related costs including accounting software and the annual financial audit.

Also included are the annual membership dues for the Association of California Water Agencies (ACWA) and the annual insurance costs from the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA).

The budget includes amounts for miscellaneous office supplies and expenses, software/online services, professional conference fees (e.g., ACWA), meeting-related expenses and various other expenses outside of the scope of the other operating expense categories.

Budget Category: Legal Support

As in prior years, the County of Santa Cruz will provide legal counsel. If legal counsel specific to groundwater or the Sustainable Groundwater Management Act (SGMA) is necessary, or if there is a conflict of interest, the MGA will seek other legal support services.

FY 22/23 and FY23/24: The \$20,000 budget and tasks are the same in both years.

Budget Category: Management and Coordination

This category includes technical support related to SGMA, groundwater modeling, and planning and program support for the Groundwater Sustainability Plan (GSP) implementation.

Technical Work: SGMA Support

FY 22/23: In November 2020, after a competitive selection process, the MGA selected Montgomery & Associates (M&A) to provide Planning and Technical Services. The budget for this work performed by M&A is \$27,410.

FY 23/24: The estimated budget for similar services is \$30,000. M&A will propose a scope of work and budget prior to the MGA's June Board meeting.

Planning Activities & Implementation Coordination

RWMF is supporting GSP Implementation Coordination and Planning Activities. Tasks in this category include: tracking the progress of the Project and Management Actions (PMAs) identified in the GSP; meeting coordination and facilitation: assisting with the coordination of GSP implementation activities outlined in Chapter 5 of the GSP; assist in identifying grant opportunities; and considering Long-Term Funding Approaches. A role of the RWMF Senior Planner is to provide high-level coordination of tasks from a “birds-eye view” perspective to ensure the overall implementation efforts are proceeding consistent the GSP and requirements under SGMA. RWMF staff also assists in identifying grant opportunities.

FY 22/23: The budget is \$126,590. The projected totals are only \$86,515 as the Senior Planner started in mid-October rather than July 1.

FY 23/24: The estimated budget is \$157,000, which also includes funding for consultant support in assessing authorities and funding approaches for long-term operation of the MGA.

SGMI Grant Administration

FY 22/23: The budget is (\$140,000). The projected totals are only \$40,000 as the work grant funded activity to date is less than anticipated.

FY 23/24: The estimated budget for this work is \$80,000.

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

Monitoring Network Improvements (stream gauges and shallow groundwater wells)

FY 22/23: The budget is \$296,160 for pre-construction and construction activities to add streamflow and shallow groundwater wells to the monitoring network. The projected costs are \$354,001. As reported to the Board at the December 2022 meeting, the expenses for monitoring network expansion activities are higher than anticipated. Funding for these monitoring network improvements is largely funded via the SWGP Grant.

FY23/24: \$70,000 is budgeted for pre-construction and construction activities to add one shallow groundwater monitoring well (the “Olive Springs”) to fill a data gap identified in the GSP. The cost estimate includes the drilling contractor as well as the associated required consultant/technical support (e.g., construction monitoring, surveys, etc.).

Monitoring: Streamflow

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

FY 22/23: \$50,000 is budgeted streamflow monitoring; projected expenses are \$21,500. Work was conducted in 2022 by Trout Unlimited on monitoring in Soquel Creek and will be conducted at the new six new streamflow monitoring stations starting in spring 2023. The cost is lower than budgeted in part because consultant costs were less than initially anticipated.

FY 23/24: \$32,500 is budgeted for Trout Unlimited to conduct Basin streamflow monitoring. Funding for these Basin monitoring activities are included in the SGMI Grant.

Monitoring: Offshore Airborne Electromagnetic (AEM) Surveys

Offshore airborne electromagnetic (AEM) surveys can inform the status of seawater intrusion in the upper aquifers near shore off the coast of the Basin. In May 2017, the MGA commissioned AEM surveys that confirmed the locations of known seawater intrusion and provided information on the location of the advance of seawater in aquifers below the sea floor. The Board previously expressed interest in periodically repeating AEMs to track the movement of the freshwater-saltwater interface to inform the MGA’s assessment of seawater intrusion.

In November 2022, DWR conducted AEM surveys of near-shore and inland portions of Santa Cruz County. DWR is anticipated to release the findings in mid-2023. The flight lines are not identical MGA’s 2017 survey and included fewer, less dense offshore flight lines. The SGMI Grant includes funding for an AEM survey (at the time of the grant application, it was unknown if/where the DWR AEM surveys would be conducted in the Basin).

FY 22/23: The total cost of the AEM survey, data processing and interpretation, and reporting is estimated at \$250,000. \$150,000 was previously budgeted to proceed in spring 2023 on the survey and to initiate the post-survey analyses. However, this is

on hold pending the results of the DWR AEM surveys. No funds are projected to be expended in 22/23.

FY 23/24: \$150,000 is budgeted to conduct the survey and to initiate the post-survey analyses. There is some uncertainty, pending the DWR results, if the survey will be necessary. However, at this point, it is still presumed that the MGA will proceed with replicating the 2017 survey. Funding for the AEM survey is included in the SGMI Grant.

Data Coordination & Data Management System (DMS)

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

FY 22/23: \$20,300 is budgeted; this includes \$15,000 for the KISTER'S annual DMS hosting fee, software and maintenance. The total cost is split with the SMGWA. An additional \$5,000 is budgeted for M&A to provide support to the MGA member agencies in integrating Basin monitoring data into the DMS.

FY 23/24: \$20,300 is budgeted for similar tasks to be performed by KISTERS and M&A.

Groundwater Extraction Metering Program

In 2022, the MGA with the support of the firm Geosyntec completed a Groundwater Metering Plan. The Plan will inform the development of a metering program applies to two categories of users: (1) all non-de minimis pumping operations expected to extract more than 5 acre-feet per year, and (2) all non-de minimis pumping operations expected to extract more than 2 acre-feet per year that may impact seawater intrusion or an interconnected stream where groundwater dependent ecosystems are identified in the GSP.

FY 22/23: \$45,000 was budgeted for Geosyntec to complete a groundwater metering plan; approximately \$34,000 this fiscal year. In total, Geosyntec utilized approximately \$60,000 of the \$65,000 contract.

FY 23/24: \$65,000 is budgeted for the implementation of the non-de minimis groundwater metering program. It is anticipated this work will be supported by consultant(s) and RWMF. Funding for this work was included in the SGMI Grant.

Budget Category: GSP Reporting

Groundwater Sustainability Plan Annual Report and Data Reporting

Annual reporting to DWR by April 1st on the GSP implementation is a requirement under SGMA. In November 2020, the Board approved a contract with M&A to provide Planning and Technical Services. M&A will prepare the Annual Report and will compile, format and submit the monitoring data to the SMGA portal.

FY 22/23: The current budget to develop the Year 4 GSP Annual Report is \$68,560 and the cost to upload groundwater level data to SGMA portal is \$9,000; these tasks are projected to come in under budget at an estimated cost of \$68,500.

FY 23/24: The scope of work is the same as the prior fiscal year at an estimated cost of \$70,000.

GSP 5-Year Update:

FY 22/23: No funds were allocated for this task.

FY 23/24: The 5-Year Update is due to DWR in January 2025. Work is anticipated to initiate in early in FY 23/24. There are still key uncertainties about the requirements for the 5-Year Update that will ultimately determine the process, extent and cost of the 5-Year Update; it is anticipated that DWR will be providing more guidance related to the update later in 2023. The preliminary budget cost estimate for FY 23/24 is \$200,000. Funding for this work was included in the SGMI Grant.

COMMUNITY OUTREACH

FY 22/23: \$12,500 is budgeted to continue community outreach and education. Expenses incurred include maintaining the MGA website, e-newsletters, and related activities. The projected totals are less than \$5,000.

FY 23/24: The proposed budget of \$20,000 includes additional community outreach and engagement on GSP implementation efforts, including the non-de minimis groundwater metering program and the GSP 5-year update.

Sustainable Groundwater Management Implementation Round 1 Grant

As noted above, the MGA's grant award of \$7.6 million from DWR's Sustainable Groundwater Management Implementation (SGMI) Round 1 will fund implementation activities through June 2025. The SGMI grant includes funding the the GSP annual report and 5-Year update. Component 5 (SGM Evaluation and Planning) includes activities led by the MGA and the County. The MGA and County will contract directly with consultants/contractors on the respective tasks and fund

the work as it proceeds. The County will invoice the MGA quarterly as work proceeds. The MGA will request reimbursement, in arrears, from DWR as part of the quarterly grant reporting process. Due to the time-lag (6 to 12-months) between work occurring and DWR reimbursement, the MGA needs sufficient funds to pay for Component 5 services as they are incurred. On this grant, DWR will withhold 10% retention (\$760,000), once the total grant expenditures reach 90% of the award. Based upon activity projections, that will not occur in FY 23/24 but will require adequate MGA reserves into FY 24/25 and FY 25/26.

Four of the Components will be led by Member Agencies (Soquel Creek Water District, City of Santa Cruz, County of Santa Cruz); they will lead the contracting and management of their respective components. The MGA will enter into sub-grantee agreements with the respective Member Agencies. The Member Agencies will be reimbursed in arrears via the MGA for eligible expenses submitted to and approved by DWR as part of the quarterly grant reporting process. The estimate (rough estimate) of total amount expenses on these Components in FY 23/24 is \$3 million. The MGA will reimburse the Member Agencies as soon as the grant funds from DWR are received.

Component Title	Lead Agency	Estimated Grant Amount
Cunnison Lane Groundwater Well	SqCWD	\$1,675,000
Aquifer Storage and Recovery, Beltz Well 10	City of Santa Cruz	\$1,650,000
Park Avenue Transmission Main/Bottleneck Improvements	SqCWD	\$800,000
Technical Development of Group 1 and 2 Projects	SqCWD & City of Santa Cruz	\$1,900,000
Sustainable Groundwater Management Evaluation and Planning	MGA & County	\$1,575,000
Total		\$7,600,000

ENDING RESERVES

General Reserves

Prudent financial management requires that the agency carry a general reserve in order to manage cash flow and mitigate the risk of expense overruns in case actual expenses are greater than anticipated in the budget. Based upon the actual expenses incurred in the first half the fiscal year, and projected expenses in the second half of the year, the general reserves at the end of FY 22/23 are projected to be \$1,575,267. The MGA is currently maintaining higher general reserves due to the potential for delays in grant reimbursements related to factors (e.g., state budget process) beyond

the control of the MGA. The actual ending reserves funds will be determined following the conclusion of the financial statement audit for the fiscal year ending June 30, 2022.

Contingency Fund

The contingency fund is set aside to cover unexpected costs. In FY 22/23, the contingency is 10%; it is calculated based upon total Operating Expenses. The proposed FY 23/24 budget keeps the contingency at 10%.

5-Year GSP Evaluation (2025) Reserve

This reserve, initiated in FY 21/22 prior to the award of the SGMI Grant, was intended to spread out the financial contributions of the Member Agencies to be used to fund the initial Periodic (5-Year) Evaluation (also referred to as the 5-Year Update) over four years from FY 21/22 through FY 24/25. The FY 21/22 contribution to this reserve was \$75,000. The approach was intended to reduce periodic spikes in Member Agencies' contributions as activity and expenses increase during the 5-Year Update. Staff recommends the FY 21/22 contribution of \$75,000 be kept in the Reserve until the 5-Year Update is completed and, if unused, is rolled into the General Reserve.

Member Agency Contribution

The proposed budget includes member agency contributions as a component of Operating Revenue. Reimbursements from the DWR grants will continue to offset some of the Operating Costs through 2025. However, it typically takes 6- to 12-months from the time an activity occurs until receipt of the grant reimbursement from DWR. Member Agency contributions will augment Cash Reserves available for covering the operating expenses while awaiting reimbursement in arrears for the grant eligible tasks.

FY 22/23: The total contribution of the Member Agencies is \$312,000.

FY 23/24: The proposed total contribution of the Member Agencies is \$100,000.

The table below presents the proposed contribution total and the amounts for each member agency in FY 23/24.

FY 2023/24 Proposed Agency Contribution Total	\$100,000
FY 2023/24 Proposed Cost Share Total	
Soquel Creek Water District (70%)	\$70,000
Central Water District (10%)	\$10,000
City of Santa Cruz (10%)	\$10,000
County of Santa Cruz (10%)	\$10,000

Recommended Board Action:

1. By MOTION, provide direction to staff to guide the preparation of the FY 23/24 budget.

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

Table 1. BUDGET SUMMARY

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
BUDGET SUMMARY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
FISCAL YEAR 2022/2023 AND PRELIMINARY FISCAL YEAR 2023/24 BUDGET

	2021/22 ACTUALS	2022/23 BUDGET	2022/23 PROJECTED TOTALS	2023/24 PROPOSED BUDGET	INCREASE (DECREASE) OVER PRIOR YEAR BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
Beginning Reserves						
Beginning Cash Reserves	\$ 1,740,890	\$ 1,585,720	\$ 1,782,240	\$ 1,575,141	\$ (10,579)	-1%
Total Beginning Reserves	\$ 1,740,890	\$ 1,585,720	\$ 1,782,240	\$ 1,575,141	\$ (10,579)	-1%
Operating Revenue						
Agency Contributions	\$ 300,000	\$ 312,000	\$ 312,000	\$ 100,000	\$ (212,000)	-68%
Agency Contributions - SGMI Grant Administration		\$ 82,950	\$ 31,600	\$ 59,250	\$ (23,700)	-29%
Grant Funds (Received)						
DWR Planning (SGWP) (2018 - 2023)	\$ 112,062	\$ 466,190	\$ 202,382	\$ 263,806	\$ (202,384)	-43%
DWR Planning (SGWP) (2018 - 2023) Retention Release		\$ 200,000	\$ -	\$ 200,000	\$ -	0%
DWR SGM Implementation (SGMI) (2022 - 2025) ¹	\$ -	\$ 50,000	\$ 42,767	\$ 238,500	\$ 188,500	-
Total Operating Revenue	\$ 412,062	\$ 1,111,140	\$ 588,749	\$ 861,556	\$ (249,584)	-22%
Operating Expense						
Administration	\$ 173,096	\$ 140,000	\$ 140,000	\$ 140,000	\$ -	0%
Legal	\$ 10,813	\$ 20,000	\$ 10,000	\$ 20,000	\$ -	0%
Management & Coordination	\$ 12,700	\$ 294,000	\$ 148,925	\$ 267,000	\$ (27,000)	-9%
Monitoring	\$ 184,823	\$ 561,460	\$ 423,422	\$ 340,000	\$ (221,460)	-39%
GSP Reporting						
GSP Annual Report & Related Data Reporting	\$ 63,324	\$ 77,560	\$ 68,500	\$ 70,000	\$ (7,560)	-10%
GSP 5-Year Update	\$ -	\$ 20,200	\$ -	\$ 200,000	\$ 179,800	100%
Outreach & Education	\$ 958	\$ 12,500	\$ 5,000	\$ 20,000	\$ 7,500	60%
Total Operating Expense	\$ 445,712	\$ 1,125,720	\$ 795,848	\$ 1,057,000	\$ 314,745	28%
Ending Reserves						
Contingency	81,098	112,572	112,572	105,700	\$ (6,872)	-6%
5-Year GSP Evaluation (2025) Reserve	75,000	75,000	75,000	75,000	\$ -	0%
General Reserve	1,626,142	1,383,568	1,387,569	1,198,997	(184,571)	-13%
Total Ending Reserves	\$ 1,782,240	\$ 1,571,140	\$ 1,575,141	\$ 1,379,697	\$ (191,443)	-12%
Member Agency Lead Project & Management Activities						
SGM Implementation (SGMI) Grant Components			1,500,000	3,000,000		

Notes:

1. Operating Revenue on Grant Funds for the DWR Implementation (Anticipated 2022 - 2025) only includes MGA led activities, not Member Agency led activities

Table 2. OPERATING EXPENSES

SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
OPERATING EXPENSES
FISCAL YEAR 2022/2023 AND PRELIMINARY FISCAL YEAR 2023/24 BUDGET

	2021/22 ACTUALS	2022/23 BUDGET	2022/23 PROJECTED TOTALS	2023/24 PROPOSED BUDGET	INCREASE (DECREASE) OVER PRIOR YEAR BUDGET	% CHANGE OVER PRIOR YEAR BUDGET	Comments
<i>Operating Expense</i>							
Administration	\$ 173,096	\$ 140,000	\$ 140,000	\$ 140,000	\$ -	0%	
Legal	\$ 10,813	\$ 20,000	\$ 10,000	\$ 20,000	\$ -	0%	
Management & Coordination							
Technical Work: SGMA Support	\$ 5,128	\$ 27,410	\$ 22,410	\$ 30,000	\$ 2,590		
Planning Activities & Implementation Coordination	\$ 7,572	\$ 126,590	\$ 86,515	\$ 157,000	\$ 30,410		Partially funded by SGMI Grant
SGMI Grant Administration		\$ 140,000	\$ 40,000	\$ 80,000	\$ (60,000)		Partially funded by SGMI Grant (~20%)
<i>subtotal</i>	\$ 12,700	\$ 294,000	\$ 148,925	\$ 267,000	\$ (27,000)	-9%	
Monitoring: Network Expansion, Data Collection, Analysis & Management							
Monitoring Network Improvements (stream gauges, groundwater wells)	\$ 117,055	\$ 296,160	\$ 354,001	\$ 70,000	\$ (226,160)		Partially funded by SGWP and SGMI Grants
Monitoring: Streamflow	\$ 11,920	\$ 50,000	\$ 21,500	\$ 32,500	\$ (17,500)		FY 22/23, 23/24 included in SGMI Grant
Monitoring: AEM Surveys		\$ 150,000	\$ -	\$ 150,000	\$ -		Included in SGMI Grant
Data Coordination & Data Management System	\$ 31,258	\$ 20,300	\$ 13,600	\$ 22,500	\$ 2,200		FY 22/23, 23/24 included in SGMI Grant
Groundwater Extraction Metering Program	\$ 24,591	\$ 45,000	\$ 34,321	\$ 65,000	\$ 20,000		FY 22/23, 23/24 included in SGMI Grant
<i>subtotal</i>	\$ 184,823	\$ 561,460	\$ 423,422	\$ 340,000	\$ (221,460)	-39%	
GSP Reporting							
GSP Annual Report & Related Data Reporting (M&A)	\$ 63,324	\$ 77,560	\$ 68,500	\$ 70,000	(7,560)		FY 22/23, 23/24 included in SGMI Grant
GSP 5-Year Update Groundwater Modeling (M&A)		\$ 20,200	\$ -	\$ -	(20,200)		
GSP 5-Year Update		\$ -	\$ -	\$ 200,000	200,000		Included in SGMI Grant
<i>subtotal</i>	\$ 63,324	\$ 97,760	\$ 68,500	\$ 270,000	\$ 172,240	176%	
Outreach & Education	\$ 958	\$ 12,500	\$ 5,000	\$ 20,000	\$ 7,500	60%	
Total Operating Expense	\$ 445,712	\$ 1,125,720	\$ 795,848	\$ 1,057,000	\$ (68,720)	-6%	
<i>Member Agency Lead Project & Management Activities</i>							
SGM Implementation (SGMI) Grant Components			1,500,000	3,000,000			Estimated amounts

March 16, 2023

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.4

Title: Provide Input on Remote Public Participation at Future Meetings

Recommended Board Action: Provide direction to staff regarding remote public participation at future MGA Board meetings.

BACKGROUND

Prior to COVID-19, MGA Board meetings were conducted in-person. The regularly used Simpkins Center community room did not have a phone line or high-speed internet, so participation was in-person only. In 2020, the Brown Act was modified in response to COVID-19 to allow remote meetings, and the MGA shifted to remote Board meetings (e.g., Zoom) and stopped in-person meetings.

On February 28, 2023, California's COVID-19 state of emergency ended, effectively terminating the remote meeting procedures under Assembly Bill (AB) 361 that were in effect during the pandemic. Beginning with the meeting on March 16, 2023, the MGA will resume in-person meetings held at the new Capitola library in the Ow Family Community Room. The room features up-to-date information technology infrastructure (internet; 90-inch wall-mounted screen; microphone with ceiling speakers). Meetings will continue to be recorded and posted on the MGA website.

With the resumption of in-person MGA Board meetings at the new location, staff is seeking Board direction regarding whether to pursue providing remote public participation (via Zoom or similar) at future meetings.

DISCUSSION

With the widespread public use of remote meetings for work, school, events, etc. during the pandemic, many people have become accustomed to viewing or participating in meetings remotely. Historically, public participation at MGA Board meetings has been low. There was not a significant difference in routine public attendance at in-person meetings prior to the pandemic versus public attendance at the remote meetings conducted during the pandemic.

Conducting meetings where Board members attend in person and the public attends remotely is more challenging than a remote only meeting and requires additional technology for the interactive format to work (e.g., clear audio for all participants).

The Library's Community Room has many but not all the needed features for hybrid meetings (in-person and remote participation). Staff is aware of products (e.g., Owl Labs Meeting Owl) that support hybrid meetings. However, it is not yet known how well such equipment (e.g., Meeting Owl) would perform at the meeting location (Capitola library) and for the MGA's meeting format.

There is also the consideration that MGA meetings occur at another agency's facility. If there are issues with that facility's information technology not working as expected the day of the meeting (e.g., internet is down, slow speed, etc.), the MGA will not be able resolve those issues and there would be very short notice to the public that remote participation is not an option. Understandably, that could lead to frustration for those that planned to participate remotely. If the remote participation technology were to work well and reliably, there is the benefit that MGA consultants and others outside the region could participate in meetings without travelling to attend in person.

At this point, it is still to be determined if remote public participation could be conducted effectively at the Capitola library. It is likely that determining that and providing for remote participation would require some investment by the MGA (e.g., staff time and equipment). It may require an iterative, stepwise approach to evaluate the performance of technology and then further consider the potential future uses. Before pursuing further, staff requests Board direction on the topic.

Recommended Board Action:

1. Provide direction to staff regarding remote public participation at future MGA Board meetings.

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

March 16, 2023

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 February 28, 2023

Attached is the Treasurer's Report for December 2022 through February 2023. 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.

Submitted by: Leslie Strohm
Treasurer
Santa Cruz Mid-County Groundwater Agency

Treasurer's Report

Santa Cruz Mid-County Groundwater Agency
For the period ended February 28, 2023



Prepared by

Leslie Strohm, Treasurer

Prepared on

March 6, 2023

Statement of Revenues, Expenses and Changes in Net Position

December 2022 - February 2023

	Total
INCOME	
Total Income	
GROSS PROFIT	0.00
EXPENSES	
5100 Groundwater Management Services	23,630.73
5110 Grndwtr Mgmt - Groundwater Monitoring	336,209.10
5300 Administrative Personnel Services	17,245.92
5310 Office Supplies	22.79
5315 Office Services	72.00
5340 Computer Services	755.00
5345 Professional Organizations	1,613.06
5415 Outreach Services	1,117.93
5510 GSP Consulting Services	14,885.00
5515 Audit & Accounting Services	3,000.00
5520 Legal Services	687.50
Total Expenses	399,239.03
NET OPERATING INCOME	-399,239.03
OTHER INCOME	
4400 Grant Revenue - DWR Prop 1 Planning Grant	348,354.37
4401 Grant Revenue - DWR SGMI Grant	1,857.12
Total Other Income	350,211.49
NET OTHER INCOME	350,211.49
NET INCOME	\$ -49,027.54

Statement of Net Position

As of February 28, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
1100 Wells Fargo Business Checking	1,884,315.16
Total Bank Accounts	1,884,315.16
Accounts Receivable	
1220 Accounts Receivable - Grants	596,531.13
Total Accounts Receivable	596,531.13
Other Current Assets	
1400 Prepaid Expenses	1,894.32
Total Other Current Assets	1,894.32
Total Current Assets	2,482,740.61
TOTAL ASSETS	\$2,482,740.61
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	363,251.65
Total Accounts Payable	363,251.65
Total Current Liabilities	363,251.65
Total Liabilities	363,251.65
Equity	
3100 Retained Earnings	1,919,451.45
Net Income	200,037.51
Total Equity	2,119,488.96
TOTAL LIABILITIES AND EQUITY	\$2,482,740.61

Warrants

December 2022 - February 2023

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Bill Payment (Check)						
02/22/2023	Bill Payment (Check)	10315	Errol L Montgomery & Associates Inc	Monitoring network; GSP Annual Report; Groundwater Modeling update		-16,557.50
						-16,557.50
02/22/2023	Bill Payment (Check)	10316	Geosyntec Consultants, Inc	Groundwater metering program		-5,180.39
						-5,180.39
02/22/2023	Bill Payment (Check)	10317	Soquel Creek Water District (2)	Audit services		-3,000.00
						-3,000.00
02/06/2023	Bill Payment (Check)	10312	County of Santa Cruz (County Counsel)	County legal counsel		-687.50
						-687.50
02/06/2023	Bill Payment (Check)	10313	Errol L Montgomery & Associates Inc	SGMA support; Monitoring network; Data coordination; GSP Annual Report		-13,545.00
						-13,545.00
02/06/2023	Bill Payment (Check)	10314	Soquel Creek Water District (2)	Quickbooks and Mailchimp		-108.00
						-108.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
01/13/2023	Bill Payment (Check)	10309	ACWA	Annual membership dues		-3,226.13
						-3,226.13
01/13/2023	Bill Payment (Check)	10310	Geosyntec Consultants, Inc	Groundwater metering program		-8,030.14
						-8,030.14
01/13/2023	Bill Payment (Check)	10311	Soquel Creek Water District (2)	Quickbooks; Mailchimp; Webhosting; Envelopes		-738.79
						-738.79
12/07/2022	Bill Payment (Check)	10305	County of Santa Cruz (County Counsel)	County legal counsel		-2,500.00
						-2,500.00
12/07/2022	Bill Payment (Check)	10306	Errol L Montgomery & Associates Inc	SGMA support; Monitoring network; Data coordination; GSP Annual Report	R	-3,925.00
						-3,925.00
12/07/2022	Bill Payment (Check)	10307	Geosyntec Consultants, Inc	Groundwater metering program	R	-12,053.83
						-12,053.83
12/07/2022	Bill Payment (Check)	10308	Soquel Creek Water District (2)	Quickbooks and Mailchimp	R	-108.00
						-108.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Expense						
12/05/2022	Expense	US03Ptwue	Google - Online Payments	G Suite Subscription	R	-72.00
				Google Payment - G Suit		72.00