



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 Meeting**

Thursday, June 15, 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 March 16, 2023 Meeting Minutes
- 5. General Business (Page 7)**
  - 5.1 Consideration of Annual Budget for Fiscal Year 2023/2024
  - 5.2 Consideration of Contract Amendment with Montgomery & Associates and Proposed Services for Fiscal Year 2023/2024
  - 5.3 Consideration of Grant Administration Services from Regional Water Management Foundation for Sustainable Groundwater Management Implementation Grant in Fiscal Year 2023/2024 (Contract Year 2)
  - 5.4 Consideration of a Temporary Subcommittee to Recommend Private Well Owner Representatives for Board Appointment
- 6. Informational Updates (Page 40)**
  - 6.1 Treasurer's Report
  - 6.2 Staff Reports
    - GSP Implementation Status Update
    - SGWP Grant Update
    - SGMI Grant Update
    - Update on Remote Participation at Board Meetings
    - Other
- 7. Future Agenda Items**
- 8. Written Communications and Submitted Materials**
- 9. Adjournment**

**Next Board Meeting:** September 21, 2023



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

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

## **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](mailto: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](mailto: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](mailto:admin@midcountygroundwater.org) or 831-662-2053 for information or to request an accommodation.



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 Meeting**

Thursday, March 16, 2023, at 6:00 p.m.

Capitola Library, 2005 Wharf Road, Capitola

### **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, Fred Keeley (late arrival), Jon Kennedy, Jim Kerr, Manu Koenig, Tom LaHue, Rob Marani, and Marco Romanini; Alternate Directors Rachél Lather and Allyson Violante

Directors absent: Carla Christensen, Zach Friend

Staff present: Ron Duncan, Rosemary Menard, Sierra Ryan, Leslie Strohm

Consultants present: Tim Carson, Rob Swartz, and Laura Partch, Regional Water Management Foundation (RWMF), Georgina King (Montgomery & Associates)

Others: Shelley Flock, Soquel Creek Water District (SQCWD); and at least 1 member of the public

#### **3. Oral Communications Related to Items Not on the Agenda**

Becky Steinbruner encouraged the pursuit of managed aquifer recharge, storm water capture, and natural groundwater recharge projects.

Director Baskin noted the conditions this past winter are bearing out what the Santa Cruz Mid-County Groundwater Agency (MGA) modeling experts have predicted that even in years of normal rainfall there would be storms of greater intensity so that infrastructure would be inadequate even if functional under previous standards.

#### **4. Consent Agenda**

4.1 Approve December 15, 2022, Meeting Minutes

#### 4.2 Acknowledge Member Agency Board Appointments

MOTION: Director Baskin; Second, Director Kennedy, to approve the consent agenda. Motion passed unanimously, Director Keeley and Alternate Director Lather abstained.

### 5. General Business

#### 5.1 Conduct Annual Election of Officers

Public Comment: Becky Steinbruner supported the appointment of Jon Kennedy, as a Private Well Owner representative, as Chair.

The following Officers were elected: Chair, Jon Kennedy; Vice Chair, David Baskin; and Secretary, Jim Kerr.

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

A presentation on the Santa Cruz Mid-County Basin Water Year 2022 Annual Report was provided by Georgina King of Montgomery & Associates, followed by Board discussion.

Public Comment: Becky Steinbruner had several questions on the Annual Report.

MOTION: Director Baskin; Second, Director Koenig, to 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 the Department of Water Resources in accordance with California Code of Regulations, Tit. 23, secs. 353.4 and 356.2. Motion passed unanimously.

#### 5.3 Review Budget for Fiscal Year 2022-23 and Consider Preliminary Budget for Fiscal Year 2023-24

Staff summarized the categories of information provided in Table 1, Budget Summary including reviewing the Beginning Reserves, Operating Revenue, Operating Expense, and Ending Reserves for the projected totals in FY 2022/23 and the proposed budget for FY 2023/24. Staff reviewed Table 2 and provided information on the Operating Expenses for the major budget categories including: Administration, Legal, Management & Coordination, Monitoring, GSP Reporting, and Outreach and Coordination.

In FY 22/23, the Member Agency contributions totaled \$312,000. Based upon the proposed activities and anticipated grant revenue in FY23/24, the proposed Member Agency contributions total \$100,000. As in prior years, the contribution allocations is 70% from SqCWD and 10% each from the other three Member Agencies.

Public Comment: Becky Steinbruner requested public outreach activities.

#### 5.4 Provide Input on Public Remote Participation at Future Meetings

Staff sought input from the Board on providing public remote participation at future Board meetings. The meeting at the Capitola Branch Library was recorded by a video conferencing device by OWL Labs, a technology that could be used to provide public remote access to Board meetings provided there is a reliable, high-speed internet connection.

The Board memo set out the post-COVID Brown Act requirements and the expectation that, absent emergency circumstances, Board members would attend meetings in person. The Board was asked to consider three options for the public at future MGA Board meetings: 1) in-person only, 2) streaming only, or 3) providing for remote participation.

Board members expressed general support for hybrid meetings that allow for public remote participation. Concerns were raised that public participation via Zoom could result in an electronic trail or digital identification, but several options were identified for members of the public who prefer anonymity.

A request was made that staff report back to the Board on the adequacy of the OWL recording in terms of capturing the meeting audio, and the audio by remote participants.

It was noted that Brown Act requirements, both pre-COVID and under Assembly Bill 2449, provide options for Board members to participate remotely, so remote access system could be used by both the public and Board members.

Staff reminded the Board that a lack of an internet connection at the meeting location would eliminate the opportunity for remote access.

Public Comment: Becky Steinbruner encouraged providing a hybrid option for public participation.

## 6. Informational Updates

### 6.1 Treasurer's Report

No questions or public comments.

### 6.2 Staff Reports

GSP Implementation Status Update: It is anticipated that Trout Unlimited will begin dry season stream monitoring in April and will start with inspections to make sure the stream gages are still in place. To date there has been limited data on interconnected surface water, and the monitoring of the shallow wells and nearby stream gages will begin to

provide this data. The MGA will be entering into sub-agreements with the Member Agencies that own the wells and gages to cover the cost of monitoring.

The next step for the Groundwater Metering Plan, adopted by the Board in December, is to move forward with installing meters for about 40 larger users. Staff are talking with other water agencies to understand issues in the management of their metering programs.

SGWP Grant Update: The work is primarily done; the grant is wrapping up and final reporting will take place in the spring.

SGMI Grant Update: A table of updates was included in the Board packet. Shelley Flock, Water Resources Manager at SqCWD, gave an update on the Component 4 optimization study, a joint project with the City of Santa Cruz with \$1.9 million dollars in grant funding. The focus is on the GSP Group 1 and Group 2 activities and finding ways to provide a greater regional benefit for sustainability and water supply reliability than would be obtained by each agency working in isolation. This work will also focus on implementation, including modeling, and obtaining additional grant funding. The plan is to work with consultants to focus on the implementation and impact of four projects.

The County and the MGA are working together on Component 5, which includes the AEM studies, the data management system, Sustainable Groundwater Management Act coordination, RWMF activities, and the 5-year update as well as the annual reporting.

Other Updates: The City of Santa Cruz is waiting for State Board approval of its petition on water rights, which, once granted, will allow movement of water anywhere within the Mid-County or Santa Margarita basins. The City recently experienced a water emergency and was able to work with SqCWD and other agencies to resolve the problem through the transfer of water. The City appreciated the opportunity and ability of local water agencies to work together.

#### **7. Future Agenda Items**

Board member requests were made for an update on the stream monitoring and an update on the groundwater model.

#### **8. Written Communications and Submitted Materials**

A member of the public encouraged the MGA to provide remote public access to Board meetings.

#### **9. The meeting was adjourned at 7:50 p.m.**

**Next Board Meeting:** June 15, 2023

June 15, 2023

## MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.1

Title: Consideration of Annual Budget for Fiscal Year 2023-2024

Attachment(s):

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

**Recommended Board Action:** Approve the proposed Budget for Fiscal Year 2023-2024

---

The attached Tables 1 and 2 present the projected totals for Fiscal Year 2022-2023 (FY 22/23) and the proposed budget for Fiscal Year 2023-2024 (FY 23/24). The proposed FY 23/24 budget is consistent with the preliminary budget presented in March with substantive changes noted in this memo.

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 \$1,831,639. 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. Operating revenue for FY 23/24 is projected to be \$861,740.

#### 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 \$1,800,000. 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 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
- Groundwater Sustainability Plan (GSP) Reporting
- Outreach and Education

**Total operating expenses are projected to be \$1,081,056 in FY 23/24.**

### **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.

FY23/24: The proposed budget is \$140,000. There are no significant changes to the draft budget presented at the March meeting.



### **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.

FY23/24: The proposed budget is \$20,000.

### **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. The total FY 23/24 budget for this category is \$267,000, composed of the following tasks:

#### **Technical Work: SGMA Support**

FY 23/24: Montgomery & Associates (M&A) will support various tasks, such evaluating seawater intrusion in the Seascap area, miscellaneous SGMA support, monitoring network support, and coordination with DWR. The cost for this work is approximately \$33,000.

#### **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.

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

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

The total FY 23/24 projected budget for this category is \$363,240. This category is broken down into the following tasks:

Monitoring: Network Improvements (stream gauges and shallow groundwater wells)  
FY23/24: Approximately \$93,000 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. This includes obtaining a drilling contractor, support from M&A, and 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 23/24: \$32,500 is budgeted for Trout Unlimited to conduct Basin streamflow monitoring. Funding for Basin monitoring activities is 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 data report in 2023. The flight lines are not identical to the MGA’s 2017 survey and included fewer, less dense offshore flight lines. The SGMI Grant includes funding for an AEM survey because, at the time of the grant application, it was unknown if/where the DWR AEM surveys would be conducted in the Basin. Work is currently on hold pending the results of the DWR AEM surveys. No funds were 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 interpretation of data collected during the DWR AEM surveys, if the survey will be necessary. Currently, 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 23/24: Approximately \$23,000 is budgeted; this funding is for KISTER'S annual DMS hosting fee, software and maintenance as well as DMS-support from M&A. The total cost is split with the SMGWA.

#### 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 that applies to two categories of users: (1) all non-de minimis pumping operations expected to extract more than 5 acre-feet per year, and (2) all non-de minimis pumping operations expected to extract more than 2 acre-feet per year that may impact seawater intrusion or an interconnected stream where groundwater dependent ecosystems are identified in the GSP.

FY 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 1<sup>st</sup> on the GSP implementation is a requirement under SGMA. M&A will prepare the Annual Report and will compile, format and submit the monitoring data to the SMGA portal.

FY 23/24: The budget to develop the Year 4 GSP Annual Report and to upload groundwater level data to SGMA portal is estimated at \$70,816.

##### GSP 5-Year Update:

FY 23/24: The 5-Year GSP evaluation is due to DWR in January 2025. Work will be initiated in early FY 23/24. There are some 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 in late summer or fall 2023. The preliminary budget cost estimate for FY 23/24 is \$200,000. Funding for this work was included in the SGMI Grant.

**Budget Category: Outreach & Education**

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

**MEMBER AGENCY LEAD PROJECT & MANAGEMENT ACTIVITIES**  
**SGM Implementation (SGMI) Grant Components**

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 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 has entered into sub-grantee agreements with the respective Member Agencies. The Member Agencies will be reimbursed in arrears via the MGA for eligible expenses submitted to and approved by DWR as part of the quarterly grant reporting process. The estimate of expenses on these Components in FY 23/24 is \$2,500,000 million. The MGA will reimburse the Member Agencies as soon as the grant funds from DWR are received.

<b>Component Title</b>	<b>Lead Agency</b>	<b>Grant Amount</b>
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
<b>Total</b>		<b>\$7,600,000</b>

## **ENDING RESERVES**

### General Reserves

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

The ending general reserves for FY 23/24 are projected to be \$1,612,323.

### Contingency Fund

The contingency fund is set aside to cover unexpected costs. In FY 23/24, the contingency is \$108,106. This is 10% of total operating expenses.

### 5-Year GSP Evaluation (2025) Reserve

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

<b>FY 2023/24 Proposed Member Agency Contributions</b>	
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
<b>Total</b>	<b>\$100,000</b>

Recommended Board Action:

1. By MOTION, approve the proposed budget for Fiscal Year 2023-2024.

**Submitted by: Tim Carson**  
Program Director  
Regional Water Management Foundation

**Leslie Strohm**  
Treasurer  
Santa Cruz Mid-County Groundwater Agency

On behalf of the MGA Executive Staff  
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 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
<b>Beginning Reserves</b>						
Beginning Cash Reserves	\$ 1,740,890	\$ 1,585,720	\$ 1,782,240	\$ 1,831,639	\$ 245,919	16%
<b>Total Beginning Reserves</b>	<b>\$ 1,740,890</b>	<b>\$ 1,585,720</b>	<b>\$ 1,782,240</b>	<b>\$ 1,831,639</b>	<b>\$ 245,919</b>	<b>16%</b>
<b>Operating Revenue</b>						
Agency Contributions	\$ 300,000	\$ 312,000	\$ 312,000	\$ 100,000	\$ (212,000)	-68%
Agency Contributions - SGMI Grant Administration		\$ 82,950	\$ 27,650	\$ 59,250	\$ (23,700)	-29%
Grant Funds (Received)						
DWR Planning (SGWP) (2018 - 2023)	\$ 112,062	\$ 466,190	\$ 464,746	\$ 263,806	\$ (202,384)	-43%
DWR Planning (SGWP) (2018 - 2023) Retention Release		\$ 200,000	\$ -	\$ 200,000	\$ -	0%
DWR SGM Implementation (SGMI) (2022 - 2025) <sup>1</sup>	\$ -	\$ 50,000	\$ 42,767	\$ 238,684	\$ 188,684	-
<b>Total Operating Revenue</b>	<b>\$ 412,062</b>	<b>\$ 1,111,140</b>	<b>\$ 847,163</b>	<b>\$ 861,740</b>	<b>\$ (249,400)</b>	<b>-22%</b>
<b>Operating Expense</b>						
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	\$ 143,925	\$ 267,000	\$ (27,000)	-9%
Monitoring	\$ 184,823	\$ 561,460	\$ 430,338	\$ 363,240	\$ (198,220)	-35%
GSP Reporting						
GSP Annual Report & Related Data Reporting	\$ 63,324	\$ 77,560	\$ 68,500	\$ 70,816	\$ (6,744)	-9%
GSP 5-Year Update	\$ -	\$ 20,200	\$ -	\$ 200,000	\$ 179,800	100%
Outreach & Education	\$ 958	\$ 12,500	\$ 5,000	\$ 20,000	\$ 7,500	60%
<b>Total Operating Expense</b>	<b>\$ 445,712</b>	<b>\$ 1,125,720</b>	<b>\$ 797,764</b>	<b>\$ 1,081,056</b>	<b>\$ 314,745</b>	<b>28%</b>
<b>Ending Reserves</b>						
Contingency	81,098	112,572	112,572	108,106	\$ (4,466)	-4%
5-Year GSP Evaluation (2025) Reserve	75,000	75,000	75,000	75,000	\$ -	0%
General Reserve	1,626,142	1,383,568	1,644,067	1,429,217	45,649	3%
<b>Total Ending Reserves</b>	<b>\$ 1,782,240</b>	<b>\$ 1,571,140</b>	<b>\$ 1,831,639</b>	<b>\$ 1,612,323</b>	<b>\$ 41,183</b>	<b>3%</b>
<b>Member Agency Lead Project &amp; Management Activities</b>						
SGM Implementation (SGMI) Grant Components			750,000	2,500,000		

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 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
<b>Operating Expense</b>							
Administration	\$ 173,096	\$ 140,000	\$ 140,000	\$ 140,000	\$ -	0%	
Legal	\$ 10,813	\$ 20,000	\$ 10,000	\$ 20,000	\$ -	0%	
<b>Management &amp; Coordination</b>							
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	\$ 35,000	\$ 80,000	\$ (60,000)		Partially funded by SGMI Grant (~20%)
subtotal	\$ 12,700	\$ 294,000	\$ 143,925	\$ 267,000	\$ (27,000)	-9%	
<b>Monitoring: Network Expansion, Data Collection, Analysis &amp; Management</b>							
Monitoring Network Improvements (stream gauges, groundwater wells)	\$ 117,055	\$ 296,160	\$ 360,917	\$ 92,872	\$ (203,288)		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	\$ 22,868	\$ 2,568		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
subtotal	\$ 184,823	\$ 561,460	\$ 430,338	\$ 363,240	\$ (198,220)	-35%	
<b>GSP Reporting</b>							
GSP Annual Report & Related Data Reporting	\$ 63,324	\$ 77,560	\$ 68,500	\$ 70,816	(6,744)		FY 22/23, 23/24 included in SGMI Grant
GSP 5-Year Update Groundwater Modeling		\$ 20,200	\$ -	\$ -	(20,200)		
GSP 5-Year Update		\$ -	\$ -	\$ 200,000	200,000		Included in SGMI Grant
subtotal	\$ 63,324	\$ 97,760	\$ 68,500	\$ 270,816	\$ 173,056	177%	
Outreach & Education	\$ 958	\$ 12,500	\$ 5,000	\$ 20,000	\$ 7,500	60%	
Total Operating Expense	\$ 445,712	\$ 1,125,720	\$ 797,764	\$ 1,081,056	\$ (44,664)	-4%	
<b>Member Agency Lead Project &amp; Management Activities</b>							
SGM Implementation (SGMI) Grant Components			750,000	2,500,000			Estimated amounts



June 15, 2023

## MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2

Title: Consideration of Contract Amendment with Montgomery & Associates and Proposed Services for Fiscal Year 2023/2024

Attachment(s):

1. Montgomery & Associates Scope, Budget, and Schedule, dated June 7, 2023

**Recommended Board Action:** Authorize the Board Chair to execute a contract amendment with Errol L. Montgomery and Associates to extend the term by two (2) years, approve the Scope of Services in Attachment 1, and authorize the General Manager of Soquel Creek Water District to sign the associated purchase order for a total amount not to exceed \$329,610.

---

### Background

In 2020, the Santa Cruz Mid-County Groundwater Agency (MGA) issued a Request for Statements of Qualifications (RFQ) from qualified consultants to provide Planning and Technical Services for Groundwater Sustainability Plan Implementation and Reporting under the Sustainable Groundwater Management Act (SGMA). The purpose was to select a consultant to enter into a multiyear agreement to perform services, including: 1) Annual Reporting on the Groundwater Sustainability Plan (GSP), 2) SGMA Technical Support, 3) SGMA Program Developments and Department of Water Resources (DWR) consultation, and 4) Periodic (5-Year) Reporting on the GSP.

At its meeting on November, 19, 2020, the MGA Board approved a multi-year Professional Services Agreement with Errol L. Montgomery and Associates, Inc. (M&A) to provide these planning and technical services. Upon contract award and each year subsequently, the MGA Board has approved M&A's annual scope of services and budget. The term of the Agreement is three (3) years (ending November 30, 2023) with the option extend the term by two (2) years pending a satisfactory review M&A's performance, MGA needs, and appropriation of funds by MGA.

### Summary of Proposed Services in FY 2023/24

The services proposed by M&A in FY 2023/24 are detailed in Attachment 1. A summary of the main task and list of sub-tasks are provided below.

### Task 1. Year 4 GSP Annual Report

The Annual Report must be submitted to California Department of Water Resources (DWR) by April 1, 2024. We anticipate DWR will provide comments/guidance on MGA's Annual Reports this calendar year, and so there is potential the Annual Report may have some slight changes. A draft Annual Report will be prepared by M&A and provided to MGA member agency staff for review by mid-February 2024. Based on comments received by late February 2024, M&A will compile the Annual Report for MGA Board approval at the March 2024 Board meeting. M&A will compile and provide a final draft Annual Report to MGA a week prior to the Board meeting for inclusion in the Board meeting packet. The final Annual Report will incorporate revisions requested by the MGA Board.

Task 1.1. Obtain and Evaluate Monitoring Well Data

Task 1.2. Quantify Water Demand and Supply

Task 1.3. Extend Basin Model to Estimate Change of groundwater in storage

Task 1.4. Prepare Annual Report

Task 1.5. Prepare for and Present Annual Report to Board of Directors

Task 1.6. Upload Annual Report and Required Tables to SGMA Portal

### Task 2. SGMA Technical Support

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

Task 2.1. Data Management System

Task 2.2. SGMA Program Developments and DWR Consultation

Task 2.3. Monitoring Network Expansion Support

Task 2.4. Evaluate Seawater Intrusion in Seascape Area

Task 2.5. Miscellaneous SGMA Support

Task 2.6. Plan FY2023/2024 Tasks and Budget

### Task 3. Upload Groundwater Level Data to SGMA Portal

Groundwater level data from wells in the SGMA monitoring network must be uploaded to the SGMA portal by January 1 and July 1 of each year. The January 1 upload will include groundwater level data compiled for the 2023 Annual Report and will be uploaded in December 2023. The July 1 upload will be completed in June 2024. Both uploads require coordination with member agency staff to ensure all data are uploaded to WISKI prior to M&A downloading groundwater level data and compiling it in the format required for the SGMA Portal upload.

#### Task 4. GSP 5-Year Evaluation

The MGA's first GSP 5-Year Evaluation is required to be submitted to DWR by January 31, 2025. M&A plans to start working on the evaluation in July 2023 and have a draft of the 5-Year Evaluation available for the Board by its June 20, 2024 meeting. The first subtask is to address DWR's only recommended corrective action from their June 3, 2021, approval of the Santa Cruz Mid-County GSP. Work to address the corrective action will involve more clearly describing what the GSP means when stating that the groundwater level minimum thresholds are protective of "most" domestic users of groundwater. M&A will support this with statistics of well depth around representative monitoring points and a map showing the extent of each groundwater level minimum threshold.

Although DWR will publish a guideline for 5-Year Evaluations by September 2023, M&A have used the requirements for 5-Year Evaluations from the GSP regulations, to define subtasks in this scope as follows:

- Reevaluate Sustainable Management Criteria (SMC)
- Reevaluate Monitoring Network
- Describe current groundwater conditions based on WY 2023 Annual Report
- Evaluate effects of PMAs on groundwater conditions
- Describe significant new information that changes any aspect of the GSP
- Describe relevant actions taken by the MGA over the past 5 years

#### TASK 5. OLIVE SPRINGS SHALLOW WELL (OPTIONAL)

This is an optional task for M&A to procure a well driller to drill and construct a shallow monitoring well on Olive Springs Road and to provide planning, construction management, and reporting services. The task is optional for FY 23/24 pending the bid results and other considerations and provided there is unanimous support from the Member Agency Executive Staff to proceed. This well was to be drilled as part of Monitoring Network Enhancement Project completed in late 2022, but there were accessibility issues for the driller that prevented it being drilled.

M&A will procure and subcontract with a well drilling contractor to drill and construct the monitoring well based upon the previously prepared technical specifications and bid schedule. M&A will solicit bids from three C-57 licensed drilling contractors. M&A together with the MGA will select the lowest responsive bid. M&A will oversee drilling, well installation, and development of the well. A M&A California licensed Professional Geologist will provide project oversight to review soil boring information and select a well screen interval. The well will be completed with a watertight traffic rated flush mounted surface completion. After completing the well

installation and development, M&A will prepare a technical memorandum documenting pertinent well installation and completion information.

Budget

Attachment 1 presents the budget by Task and sub-task. A summary by Task is presented below.

<b>Task</b>	<b>Budget</b>
1. Year 4 GSP Annual Report	\$70,816
2. SGMA Technical Support	\$41,408
3. Upload Groundwater Level Data to SGMA Portal	\$7,188
4. GSP 5-Year Evaluation	\$127,326
5. Olive Springs Shallow Well (Optional)	\$82,872
<b>Total</b>	<b>\$329,610</b>

**Figure 1. Schedule for Year 5 GSP Annual Report (Task 1)**

[illegible]

**Annual Report Upload Deadline is April 1, 2024**

**Fall 2023 Groundwater Level Data Upload Deadline in January 1, 2024**

**Figure 2. Schedule for GSP 5-Year Evaluation (Task 4)**

Santa Cruz Mid-County Groundwater Agency Planning and Technical Services For GSP Implementation and Reporting	2023																												2024																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	July				August				September				October				November				December				January				February				March				April				May				June																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	Week of	3	10	17	24	31	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11	18	25	1	8	15	22	29	5	12	19	26	4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
Weeks from start	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Task 4. GSP 5-Year Evaluation and GSP Amendment																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		

The Member Agency Executive Staff are unanimous in support of the two-year extension of the Agreement with M&A. M&A staff have provided high-quality service to date. Extending the contract has the benefit of maintaining consistency with the planning and technical services provider over the 5-Year SGMA reporting cycle from 2020 - 2025.

**Recommended Action:**

1. BY MOTION, Authorize the Board Chair to execute a contract amendment with Errol L. Montgomery and Associates to extend the term by two (2) years, approve the Scope of Services in Attachment 1, and authorize the General Manager of Soquel Creek Water District to sign the associated purchase order for a total amount not to exceed \$329,610.

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

June 9, 2023

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

**SUBJECT: SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY PLANNING AND  
TECHNICAL SERVICES FOR GSP IMPLEMENTATION AND REPORTING  
SCOPE, BUDGET, AND SCHEDULE – MGA CONTRACT NO. 2020-4, AMENDMENT 3**

Dear Mr. Carson:

Montgomery & Associates (M&A) is grateful for the opportunity to provide a scope and budget for another year of ongoing technical services to the Santa Cruz Mid-County Groundwater Agency (MGA). As per request, this letter contains scope, budget, and schedule for Amendment 3 that covers Fiscal Year (FY) 2023/2024 and will be part of a Master Services Agreement (MGA Contract No. 2020-4). This third amendment includes planning and technical services for Groundwater Sustainability Plan (GSP) implementation and reporting. The scope of work is summarized in 4 main tasks. Details of each task and subtasks are provided in the subsections below. Table 1 provides a breakdown of budget that corresponds to each task/subtask.

**TASK 1. YEAR 4 GSP ANNUAL REPORT**

The Annual Report must be submitted to California Department of Water Resources (DWR) by April 1, 2024. We anticipate DWR will provide comments/guidance on MGA's Annual Reports this calendar year, and so there is potential the Annual Report may have some slight changes. A draft Annual Report will be prepared by M&A and provided to MGA member agency staff for review by mid-February 2024. Based on comments received by late February 2024, M&A will compile the Annual Report for MGA Board approval at the March 2024 Board meeting. M&A will compile and provide a final draft Annual Report to MGA a week prior to the Board meeting for inclusion in the Board meeting packet. The final Annual Report will incorporate revisions requested by the MGA Board. The Annual Report schedule is summarized on Figure 1.

**TASK 1.1. OBTAIN AND EVALUATE MONITORING WELL DATA**

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

- Follow up with member agencies to ensure their groundwater level and quality data are uploaded to WISKI through the water year.

- Download and compile all groundwater level and quality data collected in the previous water year from all wells in the GSP monitoring network.
- Prepare groundwater elevation contour maps for each principal aquifer in the basin illustrating, at a minimum, the seasonal high and seasonal low groundwater conditions in Water Year 2023.
- Compile hydrographs of groundwater elevations and water year type using historical data to the greatest extent available through September 30, 2023.
- Summarize groundwater quality in tables for the degradation of groundwater quality and seawater intrusion sustainability indicators.
- Compare groundwater conditions data to sustainable management criteria (SMC) to describe GSP implementation progress. Summary tables will compare recent measured groundwater data to interim milestones, measurable objectives, and minimum thresholds for the seawater intrusion, streamflow depletion, chronic lowering of groundwater levels, and groundwater quality indicators.

If there is enough time and budget remaining, M&A will prepare groundwater level and quality trend maps that are not required by DWR, but will provide MGA member agencies useful information for managing the Basin.

#### **TASK 1.2. QUANTIFY WATER DEMAND AND SUPPLY**

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

- Follow up with member agencies to ensure their groundwater extraction data from all metered wells in the GSP monitoring network are uploaded to WISKI.
- Prepare estimates of non-municipal extractions are based on model input developed in Task 1.3
- Prepare tables and figures summarizing groundwater extraction through Water Year 2023 by water use sector, method of measurement, and accuracy of measurement.
- Develop a map showing locations and volumes of groundwater extraction in Water Year 2023.
- Compile a table summarizing surface water supply used for groundwater recharge or in-lieu use in Water Year 2023. This table will include both surface water transfer from City of Santa Cruz to Soquel Creek Water District and injection associated with the City of Santa Cruz aquifer storage and recovery program.
- Compile a table summarizing total water use in Water Year 2023 by water use sector, water source type, method of measurement, and accuracy of measurement.
- Summarize net groundwater pumping by aquifer unit group and compare to the SMC for the groundwater in storage indicator.



**TASK 1.3. EXTEND BASIN MODEL TO ESTIMATE CHANGE OF GROUNDWATER IN STORAGE**

M&A will update the Basin numerical model developed in GSFLOW (Basin Model) through Water Year 2023. The Basin Model is used to estimate the annual change of groundwater in storage. The Basin Model update primarily involves updating climate, extraction, injection, and return flow input data. The Basin Model outputs are used to prepare the following technical components of the Annual Report:

- Change in groundwater in storage maps for each principal aquifer in the basin.
- Table of annual change in groundwater in storage by principal aquifer.
- A graph depicting water year type, groundwater use, the annual change in groundwater in storage, and the cumulative change in groundwater in storage for the basin based on historical data to the greatest extent available through September 30, 2023.

**TASK 1.4. PREPARE ANNUAL REPORT**

M&A will prepare the Year 5 GSP Annual Report for Water Year 2023. The report will include technical components described in the tasks above, an executive summary, and a progress update on GSP implementation. The progress update will compare groundwater conditions to SMC, provide updates on projects and management action implementation, and describe changes to the monitoring network.

**TASK 1.5. PREPARE FOR AND PRESENT ANNUAL REPORT TO BOARD OF DIRECTORS**

M&A will prepare and present Year 4 GSP Annual Report findings to the MGA Board of Directors at its March 2023 meeting. We assume the meeting will take place in-person and that a M&A representative will attend and present to the Board.

**TASK 1.6. UPLOAD ANNUAL REPORT AND REQUIRED TABLES TO SGMA PORTAL**

M&A will upload the Annual Report and required tables (Part A through E) to the DWR SGMA Portal by April 1, 2023.

**TASK 2. SGMA TECHNICAL SUPPORT**

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

**TASK 2.1. DATA MANAGEMENT SYSTEM**

M&A will provide limited support to agencies uploading data to the WISKI Data Management Systems (DMS). There will also be some interaction with Kisters to ensure WISKI is providing information consistent with expectations.

**TASK 2.2. SGMA PROGRAM DEVELOPMENTS AND DEPARTMENT OF WATER RESOURCES CONSULTATION**

As M&A attends regular meetings of various organizations around the state where SGMA developments and DWR support of GSAs are discussed with DWR staff, we will continue to

provide SGMA related updates to the MGA. Meetings attended may include: Association of California Water Agencies (ACWA) groundwater committee meetings, Northern California Water Association (NCWA) Task Force meetings, Groundwater Resource Agency of California (GRA) meetings, and DWR workshops. We will ensure the MGA benefits from those meetings by preparing and sharing meeting notes; time spent preparing these notes will be split with other GSAs we provide the same materials to. Meeting travel and attendance costs will be split amongst those GSAs for which we are contracted to provide such services.

### **TASK 2.3. MONITORING NETWORK EXPANSION SUPPORT**

M&A will provide support, as needed, to a consultant contracted by the MGA to plan and oversee the Olive Springs monitoring well in accordance with the Basin's GSP's implementation plan. M&A coordination with the consultant will focus on assisting with monitoring well screen interval selection, obtaining well construction data for inclusion in the SGMA Portal monitoring module, and providing input on data collection plans for interconnected surface water.

### **TASK 2.4. EVALUATE SEAWATER INTRUSION IN SEASCAPE AREA**

The WY 2022 Annual Report identifies an increasing trend of chloride concentrations in the Seascap area as warranting early management action. Since nearby municipal pumping at the Seascap well has been consistently low, the Annual Report recommends evaluating local non-municipal well construction information and pumping to assess causes of seawater intrusion in the area. Evaluation findings with recommendations on options to manage increasing chlorides will be documented in a technical memorandum.

### **TASK 2.5. MISCELLANEOUS SGMA SUPPORT**

M&A will support the MGA Executive Team on additional miscellaneous SGMA technical tasks, as needed, including providing grant support.

### **TASK 2.6. PLAN FY2023/2024 TASKS AND BUDGET**

In Spring 2024, M&A will work with the MGA Executive Team to plan the FY2024/2025 budget. Continuing tasks anticipated for WY2024/2025 include preparing Year 6 GSP Annual Report (similar to Task 1), SGMA technical support (similar to Task 2), and uploading groundwater level data to the SGMA Portal (Task 3). Another important task will be the completion of the GSP 5-Year Evaluation (similar to Task 4) and any GSP amendments identified by the evaluation. Other tasks that may need to be added to the WY2024/2025 scope are potential structural updates to the groundwater model, modeling of MGA-directed projects or management actions, and evaluating data from the shallow monitoring network focused on interconnected surface water.

### **TASK 3. UPLOAD GROUNDWATER LEVEL DATA TO SGMA PORTAL**

Groundwater level data from wells in the SGMA monitoring network must be uploaded to the SGMA portal by January 1 and July 1 of each year. The January 1 upload will include groundwater level data compiled for the 2023 Annual Report and will be uploaded in December 2023. The July 1 upload will be completed in June 2024. Both uploads require coordination with

member agency staff to ensure all data are uploaded to WISKI prior to M&A downloading groundwater level data and compiling it in the format required for the SGMA Portal upload.

#### **TASK 4. GSP 5-YEAR EVALUATION**

The MGA's first GSP 5-Year Evaluation is required to be submitted to DWR by January 31, 2025. We plan to start working on the evaluation in July 2023 and have a draft of the 5-Year Evaluation available for the Board by its June 20, 2024 meeting. The first subtask is to address DWR's only recommended corrective action from their June 3, 2021 approval of the Santa Cruz Mid-County GSP. Work to address the corrective action will involve more clearly describing what the GSP means when stating that the groundwater level minimum thresholds are protective of "most" domestic users of groundwater. We will support this with statistics of well depth around representative monitoring points and a map showing the extent of each groundwater level minimum threshold.

Although DWR will publish a guideline for 5-Year Evaluations by September 2023, we have used the requirements for 5-Year Evaluations from the GSP regulations, to define subtasks in this scope as follows:

- Reevaluate Sustainable Management Criteria (SMC)
- Reevaluate Monitoring Network
- Describe current groundwater conditions based on WY 2023 Annual Report
- Evaluate effects of PMAs on groundwater conditions
- Describe significant new information that changes any aspect of the GSP
- Describe relevant actions taken by the MGA over the past 5 years

A Staff Draft of the 5-Year Evaluation with draft GSP amendments if needed will be prepared for agency staff to review in May 2024. Comments from staff will be incorporated into a Board draft that will be provided to Board Directors prior to the June 20, 2024 Board meeting. Feedback on the Board draft will be solicited from Directors to be incorporated into the Public Review Draft prepared in July of the 2024-2025 fiscal year.

Although not part of the FY 2023/2024 scope, we anticipate the Board will, at the latest, approve the 5-Year Evaluation and any GSP amendments at its December 2024 meeting, although a November 2024 approval would be preferred.

#### **TASK 5. OLIVE SPRINGS SHALLOW WELL (OPTIONAL)**

This is an optional task for M&A to procure a well driller to drill and construct a shallow monitoring well on Olive Springs Road and to provide planning, construction management, and reporting services. This well was to be drilled as part of Monitoring Network Enhancement

Project completed in late 2022, but there were accessibility issues for the driller that prevented it being drilled.

Since a well permit and encroachment permit for well drilling were issued in 2022, the effort to finalize those with a new drilling contractor with the County of Santa Cruz is assumed to be minimal. Provided the County allows it, the well and encroachment permit will be revised to specify the new drilling contractor.

M&A will procure and subcontract with a well drilling contractor to drill and construct the monitoring well. Technical specifications and bid schedule based on those prepared by Balance Hydrologics will be used to solicit bids from three C-57 licensed drilling contractors. M&A together with the MGA will select the lowest responsive bid. M&A will oversee drilling, well installation, and development of the well. A M&A California licensed Professional Geologist will provide project oversight to review soil boring information and select a well screen interval. The well will be completed with a watertight traffic rated flush mounted surface completion. After completing the well installation and development, M&A will prepare a technical memorandum documenting pertinent well installation and completion information.

We look forward to continuing our work with the MGA and member agency staff over the next fiscal year. Please contact us if you have any questions on this scope and budget for MGA Contract No. 2020-4, Amendment 3.

Sincerely,  
MONTGOMERY & ASSOCIATES



Georgina King, P.G., C.Hg.  
Principal Hydrogeologist  
[gking@elmontgomery.com](mailto:gking@elmontgomery.com)



Cameron Tana, P.E.  
Principal Hydrologist  
[ctana@elmontgomery.com](mailto:ctana@elmontgomery.com)

*Table 1. Proposed Budget for MGA Contract No. 2020-4, Amendment 3*

Fiscal Year 2023/2024 Santa Cruz Mid-County Groundwater Agency Planning and Technical Services For GSP Implementation and Reporting		Principal Hydrologist	Principal Hydrogeologist	Hydrogeologist	Modeler/Scientist	Staff Scientist	Technical Editor	Surface Water Hydrologist	Total Prof. Fees	Travel Expenses	Well Drilling Subcontractor	Subconsultant/ Subcontractor Markup 10%	Total Estimated Fees & Markup
Professional Billing Rates through June 2024		CT	GK	PD	PW/Staff	TD	CF	BK					
Task 1. Year 5 GSP Annual Report													
1.1	Obtain and Evaluate Monitoring Well Data	0	16	0	48	64	0	0	\$18,880	\$0	\$0	\$0	\$18,880
1.2	Quantify Water Demand and Supply	4	8	0	16	16	0	0	\$7,272	\$0	\$0	\$0	\$7,272
1.3	Extend Basin Model to Estimate Change of Groundwater in Storage	4	4	0	80	10	0	0	\$15,892	\$0	\$0	\$0	\$15,892
1.4	Prepare Annual Report	10	24	0	80	24	8	0	\$24,244	\$0	\$0	\$0	\$24,244
1.5	Prepare for and Present Annual Report to Board of Directors	2	10	0	4	0	0	0	\$3,420	\$180	\$0	\$0	\$3,600
1.6	Upload Annual Report and Required Tables to SGMA Portal	0	2	0	0	4	0	0	\$928	\$0	\$0	\$0	\$928
	Subtotal	20	64	0	228	118	8	0	\$70,636	\$180	\$0	\$0	\$70,816
Task 2. SGMA Technical Support													
2.1	Data Management System	0	16	0	0	40	0	0	\$8,368	\$0	\$0	\$0	\$8,368
2.2	SGMA Program Developments and DWR Consultation	4	6	0	0	0	0	0	\$2,368	\$0	\$0	\$0	\$2,368
2.3	Monitoring Network Expansion Support	4	16	0	0	0	0	0	\$4,648	\$0	\$0	\$0	\$4,648
2.4	Evaluate Seawater Intrusion in Seascapes Area	4	12	0	40	20	4	0	\$12,816	\$0	\$0	\$0	\$12,816
2.5	Miscellaneous SGMA Support	16	20	0	0	0	0	0	\$8,560	\$0	\$0	\$0	\$8,560
2.6	Plan FY2024/2025 Tasks and Budget	4	16	0	0	0	0	0	\$4,648	\$0	\$0	\$0	\$4,648
	Subtotal	32	86	0	40	60	4	0	\$41,408	\$0	\$0	\$0	\$41,408
Task 3. Upload Groundwater Level Data to SGMA Portal		0	16	0	0	30	0	0	\$7,188	\$0	\$0	\$0	\$7,188
Task 4. GSP 5-Year Evaluation													
4.1	Address DWR Corrective Action	4	32	0	48	24	0	0	\$18,808	\$0	\$0	\$0	\$18,808
4.2	Initial Reevaluation of Sustainable Management Criteria (SMC)	12	16	0	32	0	0	8	\$13,368	\$0	\$0	\$160	\$13,528
4.3	Reevaluate Monitoring Network	8	20	0	24	20	0	4	\$13,560	\$0	\$0	\$80	\$13,640
4.4	Prepare GSP 5-Year Evaluation Outline	1	6	0	0	0	0	0	\$1,618	\$0	\$0	\$0	\$1,618
4.5	Prepare Draft GSP 5-Year Evaluation and GSP Amendment												
4.5.1	Describe Current Groundwater Conditions based on WY 2023 Annual Report	2	16	0	16	16	0	0	\$8,596	\$0	\$0	\$0	\$8,596
4.5.2	Evaluate Effects of PMAs on Groundwater Conditions	2	8	0	40	16	0	0	\$10,612	\$0	\$0	\$0	\$10,612
4.5.3	Describe Significant New Information that Changes any Aspect of the GSP	4	8	0	40	20	0	8	\$13,184	\$0	\$0	\$160	\$13,344
4.5.4	Describe Relevant Actions Taken by the MGA Over the Past 5 years	4	8	0	16	0	0	0	\$5,384	\$0	\$0	\$0	\$5,384
4.5.5	Prepare Draft for Exec Team Review, Address Comments and Prepare Board Draft	8	40	0	40	24	12	0	\$21,312	\$0	\$0	\$0	\$21,312
4.6	Prepare for and attend Exec Team (assume 5) and Board (assume 3) meetings	6	48	0	48	0	0	0	\$20,124	\$360	\$0	\$0	\$20,484
	Subtotal	51	202	0	304	120	12	20	\$126,566	\$360	\$0	\$400	\$127,326
Task 5. Olive Springs Shallow Well (Optional)													
5.1	Project Management	0	4	8	0	2	0	0	\$2,788	\$0	\$0	\$0	\$2,788
5.2	Permit Support	0	2	4	0	2	0	0	\$1,512	\$0	\$0	\$0	\$1,512
5.3	Technical Specifications and Bid Schedule	0	4	8	0	4	0	0	\$3,024	\$0	\$0	\$0	\$3,024
5.4	Drilling Contractor Procurement and Contracting	0	4	16	0	6	0	0	\$4,900	\$0	\$0	\$0	\$4,900
5.5	Well Drilling, Construction, and Development	0	2	8	0	40	0	0	\$6,816	\$0	\$60,000	\$0	\$66,816
5.6	Reporting	0	2	8	0	12	4	0	\$3,832	\$0	\$0	\$0	\$3,832
	Subtotal	0	18	52	0	66	4	0	\$22,872	\$0	\$60,000	\$0	\$82,872
Total		103	386	52	572	394	28	20	\$268,670	\$540	\$60,000	\$400	\$329,610

**Fall 2023 Groundwater Level Data Upload Deadline in January 1, 2024**

[illegible]

8

June 15, 2023

## MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.3

Title: Consideration of Grant Administration Services from Regional Water Management Foundation for Sustainable Groundwater Management Implementation Grant in Fiscal Year 2023/2024 (Contract Year 2)

Attachment(s):

1. None

**Recommended Board Action:** Authorize a Purchase Order for Grant Administration Services from Regional Water Management Foundation for Sustainable Groundwater Management Implementation Grant in Fiscal Year 2023/2024 (Contract Year 2) not to exceed \$80,000.

---

At the June 16, 2022, meeting of the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors, the Board approved a contract with the Regional Water Management Foundation (RWMF) totaling \$380,000 to provide grant administration services for the Sustainable Groundwater Management Implementation (SGMI) Grant and authorized a Purchase Order for services Fiscal Year 2022/2023 (Year 1). The RWMF's contract scope of work includes two tasks: Task 1. Grant Administration and Coordination, and Task 2. Grant Reporting and Compliance. The estimated cost for services in fiscal year 2023/24 (Year 2) is \$80,000.

The scope of work and cost in the contract are based upon the scope and schedule in the Grant Agreement. The Grant includes five components, most of which include multiple individual projects and tasks. Each component, project and/or task has its own estimated start and end date, with all work under the grant completed by April 30, 2025, and all requests for funds submitted by June 30, 2025.

The grant administration costs for grant components to be implemented by a Member Agency (Soquel Creek Water District, City of Santa Cruz) will be allocated proportional to the grant award provided to the respective Member agency. The grant administration costs for Component 5, which contains items common to all the MGA member agencies and is led by the MGA and County of Santa Cruz, will be reimbursed by the grant.

**Recommended Board Action:**

1. BY MOTION, authorize the General Manager of Soquel Creek Water District to sign a purchase order for Grant Administration Services from Regional Water Management Foundation for Sustainable Groundwater Management Implementation Grant in Fiscal Year 2023/2024 (Contract Year 2) Not to Exceed \$80,000.

**Submitted by:**

Ron Duncan  
General Manager  
Soquel Creek Water District

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



June 15, 2023

## MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.4

Title: Consideration of a Temporary Subcommittee to Recommend Private Well Owner Representatives for Board Appointment

Attachment(s):

1. Draft Application Form

**Recommended Board Action(s):** 1) Establish a temporary subcommittee to screen and nominate candidates for the appointments of one Director and one Alternate Director to represent private well owners; and 2) nominate Board members and/or Member Agency staff to participate on the temporary committee; and, 3) provide further initial direction, as needed, on the public solicitation process and timing for the appointment of Directors representing Private Well Owners.

---

### Background

The Santa Cruz Mid-County Groundwater Agency's (MGA or Agency) Joint Powers Agreement (Agreement) sets forth that the Agency shall be governed by an 11-member Board of Directors that includes three (3) representatives of private well owners residing within the boundaries of the Agency, referred to as the Private Well Owner (PWO) Directors. The Agreement also sets forth one (1) Alternate shall also be appointed to act as a substitute Director for any of the three Directors representing private well owners. The current PWO Directors' terms are staggered such that two directors' terms expire in January 2024 (Director Kerr and Alternate Director Schultz) and the two directors' terms expire in January 2026 (Directors Abramson and Kennedy). To fill the upcoming openings for a Director and Alternate Director, the Board should consider initiating the public notification and nomination procedure in summer 2023 so that the appointments are completed prior to January 2024.

### Discussion

The Agency's Bylaws (Article 2) set forth a procedure for the appointment of Directors representing Private Well Owners. It established procedure is as follows:

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

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

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

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

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

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

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

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

2.2.5 Term. The term of appointment shall be four (4) years, unless otherwise established by a majority vote of the Member Agency Directors, and such term shall continue until a successor is duly appointed by the Board. The term effective date shall be determined by resolution of the Board. At the expiration of the term of a PWO Director or Alternate, the Board may (i) elect to initiate the appointment procedure for a PWO Director or Alternate under section 2.2 of the Bylaws; or (ii) appoint a PWO Director or Alternate in a different manner, subject to Board approval by a majority vote of the Member Agency Directors participating in voting.

Temporary Subcommittee of the Board

Pursuant to Article 12 of the Agreement, the Board may establish temporary Board Committees composed entirely of Board Directors to facilitate conduct of its work. No committee or participant on such committee shall have any authority to act on behalf of the Agency except as duly authorized by the Board. Temporary Board Committees will have a specific charge and operational duration not to exceed six months and are not subject to the Brown Act unless they include more than six Directors as Committee members. All Board Committees will provide regular updates to the full Board about their activities and the progress of their work.

It is estimated this proposed temporary subcommittee would operate from June 15 to December 14. Staff from the Regional Water Management Foundation will provide support to the subcommittee on meeting planning, logistics, materials, and related support. It is anticipated that approximately two to three meetings of the subcommittee will be held during the process.

The subcommittee is tasked with developing application materials, determining the screening criteria and timeline. The subcommittee may also consider the nomination procedure and may provide recommendations on changes to the procedure for Board consideration in future appointments of PWO Board Directors.

The subcommittee will determine the final timeline. A preliminary timeline is provided below for consideration.

Draft Estimated Timeline

Estimated schedule (2023)	Activity
June 15	Board authorizes formation of the temporary subcommittee and approves subcommittee participants
June/July	Meeting #1 of subcommittee; review/finalize application materials, screening criteria and timeline
July	Issue formal notification of the opportunity to apply
August	Application deadline (specific date to be determined)
August/September	Meeting #2 of subcommittee; review applications; initiate interviews (as needed)
September 21	Subcommittee update to the MGA Board
September/October	Applicant interviews; finalize recommendations. Meeting #3 of subcommittee (as needed)
December 14	Board to consider subcommittee recommendations

Recommended Board Action(s):

1. BY MOTION, establish a temporary committee to screen and nominate candidates for the appointments of one Director and one Alternate Director to represent private well owners; and,
2. BY MOTION, nominate Board members and/or Member Agency staff participation to participate on the temporary committee; and,
3. BY MOTION, provide initial direction, as needed, on the procedure, considerations, and timing for the appointment of Directors representing Private Well Owners.

**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



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

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

## Application for Well Owner Representative

The [Santa Cruz Mid-County Groundwater Agency](https://www.midcountygroundwater.org/) (MGA) is a Groundwater Sustainability Agency formed in March 2016 under California's Sustainable Groundwater Management Act (SGMA). The MGA is a Joint Powers Authority responsible for groundwater management in the Santa Cruz Mid-County Groundwater Basin (Basin). As required by SGMA, the MGA is responsible for developing and implementing a Groundwater Sustainability Plan to achieve sustainability in the Basin by 2042. The governing board is composed of 11-members:

- Eight representatives for the member agencies, two representatives per agency for Soquel Creek Water District, City of Santa Cruz, Central Water District, and County of Santa Cruz. Directors are appointed by their respective elected bodies. Each member agency also appoints one alternate director to act as a substitute director if necessary (e.g., director absence).
- Three private well owner (PWO) representatives for water users with groundwater wells operated independently of any water agency to supply water for drinking, industry, and/or irrigation. One alternate director is also appointed. PWOs include:
  - Small Water Systems and their customers
  - Private wells serving up to four households for domestic use
  - Agricultural irrigation wells
  - Wells for some industrial and commercial users

The MGA Board of Directors oversees and directs the following efforts:

- Facilitate the planning, adoption and implementation of a Groundwater Sustainability Plan (GSP) for the Basin pursuant to the SGMA
- To adopt rules, regulations, policies, bylaws and procedures governing the operation of the MGA and adoption and implementation of the GSP.
- Review data and coordinate groundwater pumping to the extent possible to meet demand and avoid exacerbating undesirable impacts.
- Undertake ongoing and comprehensive efforts to collect, maintain, and share groundwater data with respect to water levels and quality.
- Undertake cooperative research and resource management initiatives that are regional in scope and disseminate information resulting from these activities.
- Recommend joint efforts to the respective governing bodies which are of regional benefit, e.g., conjunctive use, recharge within shared portions of the basin, etc.
- Jointly pursue groundwater management grants or studies for planning or implementation
- Communicate with their constituencies and represent the viewpoints and concerns of the PWO constituencies that they represent.

**The Board is seeking to fill openings for 1 PWO Director and 1 PWO Alternate Director. The time commitment is estimated at 4 hours/month for the four (4) year term. Following a public solicitation/application, the Board will approve appointments in December 2023.**

- Applications are due by 5PM on **Month, Day** 2023
- Please direct questions and submit applications via email: [admin@midcountygroundwater.org](mailto:admin@midcountygroundwater.org) or deliver to Soquel Creek Water District, 5180 Soquel Drive, Soquel, CA 95073

## Applicant Information

First Name:	Last Name:	
Address:		
City:	Zip Code:	
<input type="checkbox"/> Check to confirm your residence is within the Santa Cruz Mid-County Groundwater Basin <a href="https://www.midcountygroundwater.org/mid-county-basin-area/interactive-map">https://www.midcountygroundwater.org/mid-county-basin-area/interactive-map</a>		
Phone:		
Email Address:		
Current or Past Profession:		
Community Interests and Activities:		
Do you own, manage, or are served by a private well, small water system, or mutual? <input type="checkbox"/> Yes <input type="checkbox"/> No, I receive all my water from a municipal water supply. <b>If you answered no, to the above question, you are not eligible to apply as PWO representative.</b>		
What type of private well configuration best describes you as a groundwater supply user: (Check all that apply)		
<input type="checkbox"/> Private well for domestic use (single family home)	<input type="checkbox"/> Shared private well for domestic use (4 or less homes)	<input type="checkbox"/> Mutual Private well (small water system with 5-14 connections) Name of water provider:
<input type="checkbox"/> Mutual private well (small water system with 15-199 connections) Name of water provider:	<input type="checkbox"/> Private Well for Business, Recreation, institution, or industrial Please describe:	<input type="checkbox"/> Private well for agricultural use Please describe:
<input type="checkbox"/> Other. Please describe:		
Is your well used for irrigation? <input type="checkbox"/> No <input type="checkbox"/> Yes - if yes, please estimate how many acres that you irrigate.		

**Applicant Information (continued):**

Reason for applying:

Describe your qualities/skills/characteristics (e.g., experience, qualifications, knowledge, other) that could make you an effective representative for the private well owner constituents in the Basin?

Do you have a preference to serve as a Director or Alternate Director:

☐ Director      ☐ Alternate Director      ☐ Either

If not selected for the current openings, would you like this application to be considered for the next opening (note: the next solicitation is anticipated to occur in two years).

☐ Yes      ☐ No

June 15, 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 May 31, 2023

Attached is the Treasurer's Report for March 2023 through May 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 May 31, 2023



Prepared by

**Leslie Strohm, Treasurer**

Prepared on

**June 8, 2023**

# Statement of Revenues, Expenses and Changes in Net Position

March - May, 2023

	Total
<b>INCOME</b>	
<b>Total Income</b>	
<b>GROSS PROFIT</b>	<b>0.00</b>
<b>EXPENSES</b>	
5100 Groundwater Management Services	10,486.14
5110 Grndwtr Mgmt - Groundwater Monitoring	537.50
5315 Office Services	144.00
5340 Computer Services	255.00
5415 Outreach Services	79.50
5510 GSP Consulting Services	13,725.75
5515 Audit & Accounting Services	1,500.00
5520 Legal Services	687.50
5600 Pass-through Grant Expenses	95,945.25
<b>Total Expenses</b>	<b>123,360.64</b>
<b>NET OPERATING INCOME</b>	<b>-123,360.64</b>
<b>OTHER INCOME</b>	
4400 Grant Revenue - DWR Prop 1 Planning Grant	1,603.82
4401 Grant Revenue - DWR SGMI Grant	185,868.60
<b>Total Other Income</b>	<b>187,472.42</b>
<b>NET OTHER INCOME</b>	<b>187,472.42</b>
<b>NET INCOME</b>	<b>\$64,111.78</b>

# Statement of Net Position

As of May 31, 2023

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
1100 Wells Fargo Business Checking	1,832,903.75
<b>Total Bank Accounts</b>	<b>1,832,903.75</b>
<b>Accounts Receivable</b>	
1220 Accounts Receivable - Grants	346,402.23
<b>Total Accounts Receivable</b>	<b>346,402.23</b>
<b>Other Current Assets</b>	
1400 Prepaid Expenses	1,894.32
<b>Total Other Current Assets</b>	<b>1,894.32</b>
<b>Total Current Assets</b>	<b>2,181,200.30</b>
<b>TOTAL ASSETS</b>	<b>\$2,181,200.30</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2100 Accounts Payable	12,988.64
2110 Accounts Payable - Grants	95,945.25
<b>Total Accounts Payable</b>	<b>108,933.89</b>
<b>Total Current Liabilities</b>	<b>108,933.89</b>
<b>Total Liabilities</b>	<b>108,933.89</b>
<b>Equity</b>	
3100 Retained Earnings	1,919,451.45
Net Income	152,814.96
<b>Total Equity</b>	<b>2,072,266.41</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,181,200.30</b>

# Warrants

March - May, 2023

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
<b>Bill Payment (Check)</b>						
05/05/2023	Bill Payment (Check)	10323	County of Santa Cruz (County Counsel)	Legal Support		-687.50
						-687.50
05/05/2023	Bill Payment (Check)	10324	Errol L Montgomery & Associates Inc	Monitoring network; GSP Annual Report; Groundwater Modeling update		-11,760.75
						-11,760.75
05/05/2023	Bill Payment (Check)	10325	Soquel Creek Water District (2)	Mailchimp and Quickbooks; State Controller's Report Preparation		-1,611.50
						-1,611.50
05/05/2023	Bill Payment (Check)	10326	Van Essen Instruments B.V.	Rain and Stream Gage Diver		-4,737.56
						-4,737.56
04/07/2023	Bill Payment (Check)	10321	Errol L Montgomery & Associates Inc	Monitoring network; GSP Annual Report; Groundwater Modeling update	R	-23,495.00
						-23,495.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
04/07/2023	Bill Payment (Check)	10322	Soquel Creek Water District (2)	Mailchimp and Quickbooks	R	-111.50
						-111.50
03/16/2023	Bill Payment (Check)	10318	County of Santa Cruz Health Services Agency	Groundwater Monitoring Network Improvements; Shallow Well Monitoring Construction; Data Coordination	R	-431,091.45
						-431,091.45
03/16/2023	Bill Payment (Check)	10319	Regional Water Management Foundation	Grant Administration	R	-15,117.97
						-15,117.97
03/16/2023	Bill Payment (Check)	10320	Soquel Creek Water District (2)	Mailchimp and Quickbooks	R	-111.50
						-111.50
<b>Expense</b>						
04/05/2023	Expense	US003U0Q88	Google - Online Payments	G Suite Subscription	R	-72.00
				Google Payment - G Suit		72.00
03/06/2023	Expense	US003TF3Zp	Google - Online Payments	G Suite Subscription	R	-72.00
				Google Payment - G Suit		72.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
------	------------------	-----	------	------------------	-----	--------

---



May 24, 2023

The Honorable Nancy Skinner  
Chair, Senate Budget & Fiscal Review Committee  
1021 O St., Ste. 8630  
Sacramento, CA 95814

The Honorable Phil Ting  
Chair, Assembly Budget & Fiscal Review Committee  
1021 O St., Ste. 8230  
Sacramento, CA 95814

The Honorable Josh Becker  
Chair, Senate Budget Subcommittee No. 2  
1021 O St., Ste. 7250  
Sacramento, CA 95814

The Honorable Steve Bennett  
Chair, Assembly Budget Subcommittee No. 3  
1021 O St., Ste. 4710  
Sacramento, CA 95814

**Re: Reject Proposed Sustainable Groundwater Management Act Funding Shift Sustainability Agency Support**

Dear Senators Skinner and Becker and Assemblymembers Ting and Bennett:

The undersigned Groundwater Sustainable Agencies (GSAs) represent a coalition of small GSAs in California seeking financial support from the state to reduce exorbitant fees that we will have to assess on our users to cover the cost of managing our GSAs and Groundwater Sustainability Plans (GSPs). We write to request that you reject the Governor's May Revision proposal to shift \$60 million in Sustainable Groundwater Management Act (SGMA) from the General Fund to a potential climate bond and **set aside \$10 million of the SGMA funding to assist small GSAs. The purpose of this set-aside is to assist small GSAs bridge a gap in resources while we develop reasonable options for long-term local funding.**

Specifically, we are seeking non-competitive funding for the approximately 20-30 GSAs that manage basins or areas of basins that pump less than 10,000 acre-feet of groundwater (or less than 20,000-acre feet for those basins with more than 50 percent underrepresented communities) annually. The funding would cover a portion of SGMA-required annual operating and monitoring costs.

Small GSAs are struggling to cover the costs of implementing recently submitted GSPs and administering the GSAs. Additional support for administration and reporting (tasks which have not been eligible for previous SGMA grants administered by the Department of Water Resources (DWR)) is needed to ensure these GSAs can comply with SGMA and bring our basins and sub-basins into sustainability.

The mandates under SGMA result in fixed administrative and reporting costs, including, maintaining new monitoring networks, data management systems, Brown Act compliance, updating JPAs and bylaws, budgeting, accounting, legal review, annual reports, groundwater models, and 5-year updates. In basins

with either large populations or extensive commercial agriculture, these costs can be spread out over many users, but smaller basins do not benefit from such an economy of scale.

For very small basin, when dividing the basic costs of compliance among the small number of users, these GSAs could end up with fees in the \$70 to \$190 per acre foot of water pumped annually. When the costs of project planning, modeling, and filling data gaps are added, these per acre foot costs can more than double. These high per acre-foot charges could be a significant burden for rural homeowners and place agriculture in these basins at a competitive disadvantage with larger neighboring basins where the fees will be significantly lower. For example, in Sonoma County, groundwater pumpers in Petaluma Valley could pay as much as \$400 an acre foot and in Sonoma Valley, as much as \$170 an acre foot, while pumpers in the neighboring Santa Rosa Plain would pay no more than \$40 an acre foot.

We believe that the \$60 million for SGMA implementation as proposed by the Governor in his January budget is an appropriate funding source for our request and, therefore, we are opposed to the May Revise proposal to shift this funding to a potential climate bond. There is an ongoing tremendous need to implement SGMA at the project implementation and planning levels. In fact, DWR received more than \$790 million in project applications for its most recent solicitation.

Assistance from the state would provide a lifeline to these small basins while they do the legwork needed to develop more equitable funding plans (for example a parcel tax or benefit assessment approach).

Thank you for your consideration. Please feel free reach out to us individually or to contact Mark Fenstermaker at [mark@pacificpolicygroup.com](mailto:mark@pacificpolicygroup.com), 916.798.8008.

Sincerely,

Ann DuBay  
Community & Government Affairs  
Sonoma Water

Sierra Ryan  
Water Resources Manager  
Santa Cruz County GSAs

Piret Harmon  
General Manager  
Salinas Valley GSA

Bryan Bondy  
Executive Director  
Upper Ventura River GSA

Catherine P. Keeling  
Member Director and Chair  
Mound Basin GSA

Erik Cadaret  
General Manager  
Ukiah Valley Basin GSA

Jenny Gant  
Board Clerk  
Sierra Valley GMD

Bill Keene  
Administrator  
Sonoma Valley GSA

Marina Deligiannis  
Lead  
Big Valley GSA