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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

Board of Directors Meeting

Thursday, September 21, 2023, at 6:00 p.m.
Capitola Library, 2005 Wharf Road, Capitola

AGENDA

The public may attend and provide public comment in person.

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

<https://us06web.zoom.us/j/89851655273>

Webinar ID: 898 5165 5273; Webinar audio by phone (669) 444-9171

1. Call to Order

2. Roll Call

Director LaHue is videoconferencing from 2310 32nd Street, Anacortes, WA 98221

Director Friend is videoconferencing from 171 Aptos Village Way, Aptos, CA 95003

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 4)

4.1 Approve June 15, 2023 Meeting Minutes

5. General Business (Page 9)

5.1 Receive Information on the Development of the Groundwater Extraction Metering Program for Non-*De Minimis* Users

5.2 Consider the Temporary Board Committee Recommendations and Appoint the Private Well Owner Representative Director and an Alternate Director

6. Informational Updates (Page 20)

6.1 Treasurer's Report

6.2 Staff Reports

- GSP Implementation Status Update
- SGWP Grant Update
- SGMI Grant Update
- Legal Counsel on SGMA Implementation Actions

7. Future Agenda Items

- 8. Written Communications and Submitted Materials**
 - 8.1 Letter of Support Small GSA Coalition Update
- 9. Adjournment**

Next Board Meeting: December 14, 2023



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GUIDANCE FOR ORAL AND WRITTEN COMMUNICATIONS AND DISABILITY ACCESS

ORAL COMMUNICATIONS

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

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

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

Organized groups wishing to make an oral presentation to the Board may contact Laura Partch at 831-662-2053 or admin@midcountygroundwater.org, preferably at least two weeks prior to the meeting.

WRITTEN COMMUNICATIONS

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

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

Deadlines for Submittal:

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

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

DISABILITY ACCESS: Please contact Laura Partch at admin@midcountygroundwater.org or 831-662-2053 for information or to request an accommodation.



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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

Board of Directors Meeting

Thursday, June 15, 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 Kennedy

2. Roll Call

Directors present: Curt Abramson (late arrival), David Baskin, Carla Christensen, Jon Kennedy, Jim Kerr, Manu Koenig (late arrival), Tom LaHue, Rob Marani, and Marco Romanini

Directors absent: Fred Keeley, Zach Friend

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

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

Others: One member of the public

3. Oral Communications Related to Items Not on the Agenda

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

None.

4. Consent Agenda

4.1 Approve March 16, 2023 Meeting Minutes

MOTION: Director Kerr; Second, Director Baskin, to approve the consent agenda. Motion passed unanimously.

5. General Business

5.1 Consideration of Annual Budget for Fiscal Year 2023-2024

Staff reviewed changes to the preliminary budget for Fiscal Year 2023-2024 that was presented to the Board in March, as summarized in the Board memo and attachments. Changes include an increase in the projected total revenues for the current fiscal year due to earlier grant reimbursement than was expected under the Sustainable Groundwater Planning grant (SGWP Grant), and a slight increase in Monitoring Network Improvements to include installation of the Olive Springs Well. The budgeted amount for the 5-Year Update (\$200,000) is higher than the amount proposed in the M&A fee of

work (\$127,000). The higher number was kept in the budget because the MGA is still anticipating guidance from the Department of Water Resources (DWR) on the requirements for the 5-Year Update. Although it is unlikely the update will require the full \$200,000, without certainty as to what tasks will be included, staff was hesitant to reduce this amount.

Public Comment: Becky Steinbruner had comments and questions.

MOTION: Director LaHue; Second, Director Romanini, to approve the proposed budget for Fiscal Year 2023-2024. Motion passed unanimously.

5.2 Consideration of Contract Amendment with Montgomery & Associates and Proposed Services for Fiscal Year 2023-2024

In 2020 the MGA Board approved a three-year contract with M&A with the possibility of a two-year extension. The proposed two-year extension includes, in addition to other technical support, the 5-Year Evaluation of the Santa Cruz Mid-County Groundwater Basin (Basin) Groundwater Sustainability Plan (GSP), due January 31, 2025, and the Olive Springs Shallow Well as an optional task.

Specific guidance from DWR for the 5-Year Evaluation is not expected until September. Georgina King of M&A described the expected elements which are identified in the M&A schedule for Year 5 GSP Annual Report (Page 30 of the Board packet).

Ms. King highlighted the schedule for the development of the 5-Year Evaluation. The work will begin in July 2023, include a public review period, and end with the upload to DWR's Sustainable Groundwater Management Act (SGMA) portal by January 31, 2025. Significant changes to characteristics in the Basin may require an amendment to the GSP.

Concerns regarding water levels in East and South County wells along the coast due to private pumping will be considered under M&A tasks separate from the 5-Year Evaluation, but would be considered under the 5-Year Evaluation if changes are required.

Public Comment: Becky Steinbruner requested information on chloride levels be made available to the public (*that information is in the Annual Report for Water Year 2022 on the MGA website*) and other comments.

MOTION: Director Baskin; Second, Director Romanini, to 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. Motion passed unanimously.

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)

In June 2022 a three-year contract was awarded to RWMF for Sustainable Groundwater Management Implementation grant (SGMI Grant) administration. Staff will return to the Board annually to authorize a purchase order for that fiscal year.

Public Comment: None.

MOTION: Director Baskin; Second, Director Marani, to authorize a purchase order for Grant Administration Services from RWMF for Sustainable Groundwater Management Implementation Grant in Fiscal Year 2023-2024 (Contract Year 2) not to exceed \$80,000. Motion passed unanimously.

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

Staff provided information on the process for Board appointment of Private Well Owner (PWO) representatives as set out in the MGA Bylaws. The Bylaws provide for staggered terms, and so two appointments are needed. Staff requested that the Board create a temporary Board subcommittee to finalize the appointment schedule, set out criteria, screen applications and recommend appointments to the Board. The subcommittee would also evaluate the current process and propose any changes to the procedures for the next appointment process, which would require a change to the MGA bylaws.

An estimated timeline was set out in the Board memo, which would include Board consideration of the recommended appointments at the December 2023 Board meeting. If approved, the terms of the new directors would begin in January 2024. It was requested that the subcommittee include three or four Board members, including a PWO representative. RWMF staff will support the subcommittee, and interested members of the Executive Team may also be included.

Public Comment: Becky Steinbruner requested changes to the PWO selection process and thanked the PWO representatives.

MOTION: Director LaHue; Second, Director Baskin, to establish a temporary subcommittee to screen and nominate candidates for the appointments of one Director and one Alternate Director to represent Private Well Owners. Motion passed unanimously.

MOTION: Director Romanini; Second, Director LaHue, to nominate Curt Abramson, Jon Kennedy, Carla Christensen and Sierra Ryan to participate on the temporary subcommittee. Motion passed unanimously.

The subcommittee will use the rubric and timeline set out in the Bylaws and the Board memo.

6. Informational Updates

6.1 Treasurer's Report

No Board discussion or public comment.

6.2 Staff Reports

- GSP Implementation Status Update

Beginning May 1st, Trout Unlimited, under contract to perform monitoring in the Basin, visited each of the stream gage sites, repaired two damaged gages, and started dry season stream monitoring. The Olive Springs well will complete the data gaps identified in the GSP. Metering will be a priority in the summer and will involve looking at incentivizing the placement of meters on approximately 40 identified wells. Staff will also be collecting additional information and evaluating seawater intrusion and chloride levels in the Basin.

- SGWP Grant Update

All the work under this \$2 million dollar grant has been completed, final grant deliverables and materials have been submitted to DWR along with a request to release the grant funds (10%; \$200,000) withheld as retention until the completion of the grant.

- SGMI Grant Update

The five components included in the grant are: 1) Cunnison Lane Groundwater Well, 2) Aquifer Storage and Recovery, Beltz Well Field, 3) Park Avenue Transmission Main/Bottleneck Improvements, 4) Technical Development of GSP Project and Management Actions (Optimization Study), and 5) Sustainable Groundwater Management Evaluation and Planning. Staff will be reviewing recent DWR Airborne Electromagnetic (AEM) data results to determine if more surveys are needed. While the SGMI Grant did not require MGA matching funds, both the City and the District are contributing significant work on their projects.

- Update on Remote Participation at Board Meeting

Staff will move forward with providing remote access to Board meetings for both the public and Board members. Feedback on the efforts taken so far is appreciated. One challenge is the MGA's reliance on the Information Technology (IT) of the Capitola Library. If a meeting was to be posted offering participation both in-person and teleconference (e.g., via Zoom or other online platform) and the internet service was down or other IT glitch prevented participation via teleconference, the MGA would not be able to proceed with the meeting. Streaming-only would allow the meeting to proceed (provided that there was the required quorum of Board members) even if a technology glitch prevented teleconference participation. Staff will come back to the Board with further developments.

- Other

Sierra Ryan reported on a coalition of small groundwater sustainability agencies working for state recognition of the financial burden of SGMA compliance for the smaller agencies. For small agencies pumping less water, with no economies of scale, the long term sustainability of these agencies is constrained by the high costs of compliance with SGMA. The coalition is not expecting traction this year, but will be sending a letter to state officials.

7. Future Agenda Items

In response to a Board question regarding KISTERS' security, staff reported a letter was presented to KISTERS and security concerns was one of several issues raised. KISTERS recognized that they should have provided more information to their clients, and MGA staff is waiting on a more detailed response.

8. Written Communications and Submitted Materials

9. Adjournment 7:10

Next Board Meeting: September 21, 2023

DRAFT

September 21, 2023

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.1

Title: Receive Information on the Development of the Groundwater Extraction Metering Program for Non-*De Minimis* Users

Attachments: Information Relevant to the Development of a Non-*De Minimis* Metering Program

Recommended Board Action: Receive an information presentation from staff and discuss the Metering Program for Non-*De Minimis* Users.

Background:

The Groundwater Sustainability Plan (GSP) calls for a groundwater extraction metering program for non-*de minimis* users, defined as those expected to extract more than 5 acre-feet per year, or more than 2 acre-feet per year from wells located in priority areas. Per the GSP, how the metering is to be deployed and monitored is to be defined through the development of a Metering Program.

The Metering Program is expected to consist of four components: 1) a Metering Plan; 2) a Metering Policy; 3) a Meter Installation Project; and 4) ongoing reporting by the applicable non-*de minimis* groundwater users. The first Metering Program component, the Metering Plan, was received by the MGA Board on December 15, 2022, with the Board providing direction to staff to begin development of a Metering Policy to provide a framework for program implementation.

Discussion:

Staff is concurrently working on the Metering Policy and evaluating alternatives for implementing the Meter Installation Project. Staff will provide an overview of these Metering Program components and a roadmap for completing meter installations on priority non-*de minimis* wells by September 30, 2024. This will allow for starting extraction data collection by non-*de minimis* users at the beginning of the next Water Year, which starts on October 1, 2024. For the presentation and discussion of this item, it may be helpful to review the attachment that includes excerpts from the GSP and applicable sections of the California Water Code related to requiring meters and reporting as well as enforcement for non-compliance.

Recommended Board Action:

1. Receive an information presentation from staff and discuss the Metering Program for Non-*De Minimis* Users.

Submitted by: Rob Swartz
Senior Planner
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

Attachment to Item 5.1.1

Information Relevant to the Development of a Non-*De Minimis* Metering Program

Excerpts from the Mid-County Groundwater Sustainability Plan related to Non-*De Minimis* Groundwater Extraction

3.3.4.3 Groundwater Extraction Monitoring Data Gaps

As part of GSP implementation, the MGA will initiate a new well metering program on all private non-*de minimis* wells that meet the following criteria:

- Pump more than two (2) acre-feet per year within priority management zones to be defined by the County of Santa Cruz. These will be related to seawater intrusion and depletion of interconnected surface water.
- Wells outside of priority management zones that pump more than 5 acre-feet per year. Implementation of a planned metering program is described in more detail in Section 5 on Plan Implementation.

5.1.1.4.3.2 Metered Groundwater Extraction Non-*De Minimis* Users

The MGA will initiate a new well metering program to collect volumetric data on groundwater usage in the Basin that will inform the assessment and refinement of the sustainable yield of the Basin. The program will apply to two categories of users:

(1) all non-*de minimis* pumping operations expected to extract more than 5 acre-feet per year, and

(2) all non-*de minimis* pumping operations expected to extract more than 2 acre-feet per year that may impact seawater intrusion or an interconnected stream where groundwater dependent ecosystems are identified in Section 3.9. The boundaries of these zones will be established when the enabling ordinances are developed, but it is anticipated the zones will include the areas along the coast where groundwater is less than 50 feet above sea level and areas within 500 -1000 feet of Soquel Creek.

The costs to implement the metering program include: program administration; coordination of program set-up and implementation; participant tracking; and coordination of annual reporting by the participants. The MGA will initiate planning in 2020 to develop the program. It is anticipated the participating users are responsible for the all costs related to the purchase, installation, calibration, and operation of the meters as well as annual reporting to the MGA.

California Water Code §10725.8 Authorizing Measurement and Reporting Requirements for Non-*De Minimis* Groundwater Users

- (a) A groundwater sustainability agency may require through its groundwater sustainability plan that the use of every groundwater extraction facility within the management area of the groundwater sustainability agency be measured by a water-measuring device satisfactory to the groundwater sustainability agency.
- (b) All costs associated with the purchase and installation of the water-measuring device shall be borne by the owner or operator of each groundwater extraction facility. The water-measuring devices shall be installed by the groundwater sustainability agency or, at the groundwater sustainability agency's option, by the owner or operator of the groundwater extraction facility. Water-measuring devices shall be calibrated on a reasonable schedule as may be determined by the groundwater sustainability agency.
- (c) A groundwater sustainability agency may require, through its groundwater sustainability plan, that the owner or operator of a groundwater extraction facility within the groundwater sustainability agency file an annual statement with the groundwater sustainability agency setting forth the total extraction in acre-feet of groundwater from the facility during the previous water year.
- (d) In addition to the measurement of groundwater extractions pursuant to subdivision (a), a groundwater sustainability agency may use any other reasonable method to determine groundwater extraction.
- (e) This section does not apply to de minimis extractors.

California Water Code §10732 Authorizing Penalties for Non-Compliance by Non-*De Minimis* Groundwater Users for Requirements adopted by Groundwater Sustainability Agencies

- (a)(1) A person who extracts groundwater in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2, shall be subject to a civil penalty not to exceed five hundred dollars (\$500) per acre-foot extracted in excess of the amount that person is authorized to extract. Liability under this subdivision is in addition to any liability imposed under paragraph (2) and any fee imposed for the extraction.
- (2) A person who violates any rule, regulation, ordinance, or resolution adopted pursuant to Section 10725.2 shall be liable for a civil penalty not to exceed one thousand dollars (\$1,000) plus one hundred dollars (\$100) for each additional day on which the violation continues if the person fails to comply within 30 days after the local agency has notified the person of the violation.

(b)(1) A groundwater sustainability agency may bring an action in the superior court to determine whether a violation occurred and to impose a civil penalty described in subdivision (a).

(2) A groundwater sustainability agency may administratively impose a civil penalty described in subdivision (a) after providing notice and an opportunity for a hearing.

(3) In determining the amount of the penalty, the superior court or the groundwater sustainability agency shall take into consideration all relevant circumstances, including, but not limited to, the nature and persistence of the violation, the extent of the harm caused by the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.

(c) A penalty imposed pursuant to this section shall be paid to the groundwater sustainability agency and shall be expended solely for purposes of this part.

(d) Penalties imposed pursuant to this section are in addition to any civil penalty or criminal fine under any other law.

September 21, 2023

MEMO TO THE MGA BOARD OF DIRECTORS

Subject: Agenda Item 5.2

Title: Consider the Temporary Board Committee Recommendations and Appoint a Private Well Owner Representative Director and an Alternate Director

Attachment(s):

1. Informational Letter on Applications

Recommended Board Action: Consider the Committee Recommendations (*to be presented at the meeting*) and Approve the Appointment of one Director and one Alternate Director to serve on the Board as representatives of Private Well Owners

Background

At its June 16, 2023, meeting the Santa Cruz Mid-County Groundwater Agency (MGA or Agency) approved the formation of a temporary Board subcommittee (committee) to screen and nominate candidates for the appointments of one Director and one Alternate Director to serve on the Board as representatives of Private Well Owners (PWO) in the Mid-County Groundwater Basin. The Agency's Bylaws (Article 2) set forth a procedure for the appointment of Directors representing PWOs. The committee was tasked with developing application materials, determining the screening criteria and timeline. The committee was also tasked with considering the nomination procedure set forth in the Bylaws and, if applicable, providing recommendations for consideration in future appointments of PWO Board Directors.

Discussion

Committee Meetings

The committee convened in June and August. At the first meeting on June 27 the subcommittee discussed roles and responsibilities; criteria for evaluating candidates; the final version of the application form; approaches and outlets for informing the public of the vacancies; and the proposed timeline. The committee convened in August to review and discuss the submitted applications; discuss the format, content, schedule of applicant interviews; determine the next steps in the process and review the timeline.

Solicitation

A formal notification of the opportunity to apply was issued on July 19, 2023. Application materials and information were posted on the MGA website. To raise awareness and solicit interest from prospective applicants, outreach and notification occurred via multiple avenues. A press release was circulated to multiple local media outlets, circulated on various social media platforms, circulated via the MGA and Member Agency electronic newsletters, and letters were mailed to over 40 property owners of parcels presumed to have non-*de minimis*¹ groundwater use. The notification ran in the Santa Cruz Sentinel's Coastlines community event on multiple occasions in July and August. The application deadline was August 14.

Application and Applicants

A draft application form was presented to the Board at the June 16 meeting. The committee finalized the application form which was posted on the MGA website. Seven applications were received. Each applications was reviewed by the subcommittee and evaluated based on the following criteria: 1) knowledge of the Basin's groundwater sustainability issues as well as knowledge of the issues faced by private well, small water system, or mutual water company/system; 2) qualities/skills/characteristics that would make the applicant an effective Board Director on behalf of the private well owners in the Basin; and, 3) prior community engagement or service and/or prior participation in multi-party or community collaborative processes.

Applicant	Well Type	Applied for
Bruce Korb	Private well for domestic use (single family home)	Director or Alternate Director
Jim Kerr	Shared private well for domestic use (up to 4 homes)	Director or Alternate Director
Jim Gilcrest	Private well for domestic use (single family home)	Director
Doug Deitch	Shared private well for domestic use (up to 4 homes); Private well for recreational uses	Director
Becky Steinbruner	Small water system (15 – 199 connections) customer	Director or Alternate Director
Robert Schultz	Small water system (15 – 199 connections) operator, customer	Director or Alternate Director
Chuck Hyde	Private well for domestic use (single family home)	Director

¹ *De minimis* pumping is defined by SGMA as 2 acre-feet per year (AFY) or less for domestic purposes

Interviews

The committee determined that all applicants would be interviewed as part of the selection process. The interview explored the candidate's commitment to learning about the Basin and the MGA; their ability to work with people with diverging interests; their ability to make educated compromises that are respectful of competing viewpoints; their willingness to work with their constituents, fellow board members, and the broader Basin community; their commitment to ensuring the successful implementation of the approved GSP; and the key messages that should be shared with PWOs.

Six (6) of the applicants were reviewed during the week of September 4th, the final applicant interview is scheduled to occur on September 20th (post the publication of this memo/board packet).

Process to Identify Candidates for Nomination

The evaluation of candidates is based upon both the application and interview process. The committee will utilize a ranked choice voting process to identify the top choice candidate to recommend to the Board for nomination. If the committee is unable to reach a majority vote in favor of a top candidate, this will be reported to the Board. The same process will be used to identify the top choice Alternate Director. Similarly, if the committee is unable to reach a majority vote in favor of the top choice for Alternate Director, that information will be brought before the Board.

Current Status of Process

This memo was prepared prior to the final applicant interview. If, following the final interview on September 20th, the committee is able to make a nomination recommendation to the Board, it will do so at the Board meeting on September 21st.

Committee Recommendations on Selection Process

The committee reviewed the PWO selection process outlined in the MGA's current Joint Exercise of Powers Agreement (JPA) and Bylaws. The committee does not recommend any changes to the protocols set forth in the JPA and Bylaws.

The committee offers the following recommendations with regard to conducting future solicitations.

- Start advertising/solicitation of the vacancies and opportunity to apply earlier
- Conduct additional targeted outreach to non *de minimis* users (e.g., current process included mailed letters)
- Provide an orientation or question/answer session (either in-person and/or remote) to allow potential applicants to interact with the nomination subcommittee/staff prior to the application deadline

- Future application forms should include a question about prior attendance or involvement at MGA meetings, workshops or events. In the current process, this information was gleaned from applications and interview responses, but it would be preferable to ask more directly on future application forms
- Future application forms should request applicant to provide more specificity with regard to their role in operating/managing a well or a small water system

Board Role on Appointments and Director Terms

As set forth in the JPA (Section 6.3.5), the representatives of PWOs shall be appointed by majority vote of the eight Member Agency Directors. If appointed, the term of appointment shall be four (4) years with an effective date of January 1, 2024, unless otherwise established by a majority vote of the Member Agency Directors.

Recommended Board Action(s):

1. BY MOTION, consider the committee recommendations (*to be presented at the meeting*) and approve the appointment of one Director and one Alternate Director to serve on the Board as representatives of 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



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Groundwater Agency Board Seeks Private Well Owner Representatives

The [Santa Cruz Mid-County Groundwater Agency](https://www.midcountygroundwater.org) (MGA) is seeking volunteers to fill openings for 1 Private Well Owner (PWO) Director and 1 PWO Alternate Director on the MGA Board. The PWO candidates must either own, manage, or be served by: 1) a private or shared domestic well; 2) a small private water system well; or 3) an irrigation well used for commercial, industrial, institutional, recreational, or agricultural purposes. This well must be located within the Santa Cruz Mid-County Groundwater Basin. Following this public solicitation process, the MGA Board will approve appointments by December 2023 with 4-year terms to commence in January 2024. The time commitment is estimated to average about 4 hours per month. The Board currently meets on the third Thursday of the month on a quarterly basis (March, June, September, December), beginning at 6:00 p.m. in Capitola.

About the MGA

The MGA is a Groundwater Sustainability Agency formed as a Joint Powers Authority in March 2016 under California's Sustainable Groundwater Management Act (SGMA) of 2014. The MGA is 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 (GSP) to achieve sustainability in the Basin by 2040. The MGA Board adopted the initial Basin GSP on November 19, 2019. As required by SGMA, the Basin GSP was reviewed and approved by the California Department of Water Resources on June 3, 2021. Current MGA priorities are focused on implementing GSP projects that will result in long-term Basin sustainability and on beginning a five-year GSP evaluation as required by SGMA.

Board Composition and Responsibilities

To ensure broad representation of Basin interests, the MGA Board is composed of the four MGA member agencies that are eligible to be signatories to the Joint Powers Authority and representatives of private groundwater users. The resulting governing board has 11-representatives, including:

- Eight representatives from the four MGA member agencies – two representatives each from 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 serve in the event of a 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, or irrigation. One alternate director is also appointed to serve in the event of a director absence.

The responsibilities of the MGA Board of Directors include, among others, the following:

- Adopt rules, regulations, policies, bylaws and procedures for the effective operation of the MGA.
- Approve the annual budget and fiscal audits of the MGA.
- Approve actions necessary for the MGA to exercise all of its powers, including those granted through SGMA, as identified in the First Amended Joint Exercise of Powers Agreement.
- Direct MGA staff and approve actions necessary for successful implementation of the Basin GSP.
- Receive and authorize submission of annual reports on GSP implementation progress and oversee and approve five-year assessments of the GSP.
- Communicate with their constituencies and represent the viewpoints and concerns of the constituencies that they represent, while acting in the interest of the overall Basin.

Desired Candidate Qualities

MGA is seeking candidates that are passionate about our community's future and sustainability of the Basin. Candidates with current knowledge of the Basin and its needs or who are committed to learning about the Basin, the MGA, and the GSP are preferred. MGA is looking for candidates that can effectively represent the interests of PWOs in the Basin and are willing to educate the community, Board members, and the MGA about the water interests they represent. Finally, MGA is seeking candidates that are open to learning about, and working with, people whose interests may conflict with their own and are willing to make educated compromises that are respectful of competing viewpoints.

Selection Criteria and Process

The process for selecting the PWO Director and PWO Alternate Director includes the submittal of the attached application by prospective candidates. The application will be reviewed by the MGA PWO Nominating Subcommittee based on the following criteria: 1) knowledge of the Basin's groundwater sustainability issues as well as knowledge of the issues faced by private well, small water system, or mutual water company/system; 2) qualities/skills/characteristics that would make you an effective Board Director on behalf of the private well owners in the Basin; and, 3) prior community engagement or service (e.g., Board member or volunteer) and/or prior participation in multi-party or community collaborative processes.

Following application review, the highest qualified candidates will be invited to an in-person interview with the subcommittee. The interview will explore the candidate's commitment to learning about the Basin and the MGA, their ability to work with people with diverging interests, their ability to make educated compromises that are respectful of competing viewpoints, and their willingness to work with their constituents, fellow board members, and the broader Basin community. The subcommittee will then make a recommendation for each of the positions, based on the combined application and interview process, to the MGA Board for consideration by December 2023.

Applications are due by **5:00 P.M. on August 14, 2023.**

Please submit the application via email to **admin@midcountygroundwater.org** or deliver the application to Soquel Creek Water District, 5180 Soquel Drive, Soquel, CA 95073.

Please direct questions about the application via email to **admin@midcountygroundwater.org**.

September 21, 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 August 31, 2023

Attached is the Treasurer's Report for June 2023 through August 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.
- 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 August 31, 2023



Prepared by

Leslie Strohm, Treasurer

Prepared on

September 12, 2023

Statement of Revenues, Expenses and Changes in Net Position

June - August, 2023

	Total
INCOME	
4100 Membership Revenue	100,000.00
Total Income	100,000.00
GROSS PROFIT	100,000.00
EXPENSES	
5100 Groundwater Management Services	11,553.20
5110 Grndwtr Mgmt - Groundwater Monitoring	1,562.50
5300 Administrative Personnel Services	7,158.10
5315 Office Services	144.00
5340 Computer Services	535.97
5355 Insurance	100.00
5415 Outreach Services	106.00
5510 GSP Consulting Services	7,572.50
5520 Legal Services	187.50
5600 Pass-through Grant Expenses	153,049.75
Total Expenses	181,969.52
NET OPERATING INCOME	-81,969.52
OTHER INCOME	
4401 Grant Revenue - DWR SGMI Grant	183,978.29
Total Other Income	183,978.29
NET OTHER INCOME	183,978.29
NET INCOME	\$102,008.77

Statement of Net Position

As of August 31, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
1100 Wells Fargo Business Checking	2,177,221.77
Total Bank Accounts	2,177,221.77
Accounts Receivable	
1200 Accounts Receivable - Membership Revenue	10,000.00
1220 Accounts Receivable - Grants	183,978.29
Total Accounts Receivable	193,978.29
Other Current Assets	
1400 Prepaid Expenses	1,894.32
Total Other Current Assets	1,894.32
Total Current Assets	2,373,094.38
TOTAL ASSETS	\$2,373,094.38
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	5,291.50
2110 Accounts Payable - Grants	248,995.00
Total Accounts Payable	254,286.50
Total Current Liabilities	254,286.50
Total Liabilities	254,286.50
Equity	
3100 Retained Earnings	2,024,171.38
Net Income	94,636.50
Total Equity	2,118,807.88
TOTAL LIABILITIES AND EQUITY	\$2,373,094.38

Warrants

June - August, 2023

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
Bill Payment (Check)						
08/22/2023	Bill Payment (Check)	10333	Errol L Montgomery & Associates Inc			-7,822.50
						-7,822.50
08/22/2023	Bill Payment (Check)	10334	Regional Water Management Foundation			-7,785.70
						-7,785.70
08/22/2023	Bill Payment (Check)	10335	Soquel Creek Water District (2)	0000260		-7,501.10
						-7,501.10
07/13/2023	Bill Payment (Check)	10330	County of Santa Cruz (County Counsel)			-187.50
						-187.50
07/13/2023	Bill Payment (Check)	10331	County of Santa Cruz Health Services Agency		R	-49,395.30
						-49,395.30

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
07/13/2023	Bill Payment (Check)	10332	Errol L Montgomery & Associates Inc		R	-6,060.00
						-6,060.00
06/14/2023	Bill Payment (Check)	10327	Errol L Montgomery & Associates Inc		R	-4,880.00
						-4,880.00
06/14/2023	Bill Payment (Check)	10328	Soquel Creek Water District (2)	0000260	R	-187.47
						-187.47
06/14/2023	Bill Payment (Check)	10329	Regional Water Management Foundation		R	-8,108.64
						-8,108.64
Expense						
07/21/2023	Expense	US003Vghh5	Google - Online Payments	G Suite Subscription	R	-72.00
				Google Payment - G Suit		72.00
06/05/2023	Expense	US003Uz55Q	Google - Online Payments	G Suite Subscription	R	-72.00

Date	Transaction Type	Num	Name	Memo/Description	Clr	Amount
				Google Payment - G Suit		72.00

DEPARTMENT OF WATER RESOURCES

P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



11 August 2023

Ron Duncan
General Manager
Soquel Creek Water District
5180 Soquel Drive
Soquel, CA 95073

Subject: Grant Closure – Santa Cruz Mid-County Groundwater Agency Proposition
1/Proposition 68 Sustainable Groundwater Management Grant, Agreement
4600012696, Grant Closure

Dear Mr. Duncan:

This letter acknowledges that the CA Department of Water Resources (DWR) has released \$149,999.99 in remaining Prop 1 retention funds and \$50,000.00 in Prop 68 retention funds for the subject grant agreement. Please provide us notice when you receive your retention payments.

This letter serves as notification that contractual obligations for the above referenced grant agreement between Santa Cruz Mid-County Groundwater Agency and DWR have been fulfilled. Therefore, no further reporting for the grant is required by DWR.

Please be mindful that the Grantee is obligated to continue records retention as there is a potential for a post completion audit of the Grant.

Also, transmitted with this letter is a performance evaluation for you to retain for your records.

Thank you for your interest in the Sustainable Groundwater Management Grant Program and your effort to manage water resources in your area. If you have any questions, please contact Tom Berg at thomas.berg@water.ca.gov or (559) 552-4450.

Sincerely,

Kelley List

Kelley List
Financial Assistance Branch
Division of Regional Assistance

Enclosure: Performance Evaluation



GRANT PERFORMANCE EVALUATION FORM

☒ Final ☐ Annual *Period* : 1/1/2015 – 5/30/2023

SGM Grant Program Prop 1, Planning, Round 2

Grantee Information:	Agreement No.: 46000012696
Santa Cruz Mid-County Groundwater Agency	Start Date: 1/1/2015
Address 5180 Soquel Drive, : Soquel, CA 95073	End Date: 5/30/2023
Contact : Ron Duncan Phone: (831) 475-8500 email : RonD@soquelcreekwater.org	

Grant Amount:	Reqd. Funding Match / Cost Share:	Other Cost Share:	Total Cost:
\$2,000,000	\$1,670,00	\$0	\$3,670,000

Grant/Component Title /Agency (if applicable):	Start Date:	Original End Date:	Revised End Date:	No. of Amend:
Category (a): Grant Administration	1/1/2015	4/30/2020	5/30/2023	4
Category (b): GSP Planning and Development	8/22/2017	1/31/2020	1/31/2020	4
Category (c): Stakeholder Engagement and Facilitation	3/1/2016	1/31/2020	1/31/2020	4
Category (d) Technical Work	8/20/2015	11/30/2019	3/31/2023	4
Category (e): Monitoring	1/1/2015	1/31/2020	3/31/2023	4

Amendments and Reason(s) for Each:

Amendment 1: Added \$500,00 in Prop 68 funds to the Grant. Extended the Agreement term from October 31, 2022, to December 31, 2022, to allow more time for deliverables to be completed for Categories (a) and (e). Signed on May 6, 2020

Amendment 2: Corrected a clerical error in Amendment 1 which removed the dates for eligible funds and added the corrected sentence back into the Agreement. Signed July 9, 2020.

Amendment 3: Extended the Agreement term from October 31, 2022, to May 30, 2023, to allow more time for deliverables to be completed for Category (e). Shifted surplus \$15,000 from Category (d) to Category (e). Signed October 13, 2022.

Amendment 4: Replaced outdated Labor Compliance Program language.

GRANTEE PERFORMANCE

Rate questions by assigning appropriate values—Acceptability Level: A = Always, B = Most of the times, C = Sometimes, D = Never	A	B	C	D	Notes
Grantee maintained consistent and regular communication with DWR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	add notes as necessary
Grantee maintained consistent and regular communication with Local Project Sponsors (LPS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A

Progress Reports were consistent with the agreement requirements, including work progress according to the Work Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	add notes as necessary
Progress Reports were submitted on time (Quarterly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Delay with first progress Report
Invoices were submitted on time (Quarterly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Invoice 1 was submitted a year after the Grant was signed.
Draft invoices accompanied by adequate and correct backup documentation, consistent with the workplan, only included eligible costs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	add notes as necessary
Project deliverables were submitted on schedule and as per the workplan requirement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	add notes as necessary
Grantee always maintained the compliance with all agreement requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	add notes as necessary
Overall Grantee Performance Rating:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	add notes as necessary

Grant Performance Summary:

Grantee performed exceptionally well after a bit of slow start. The grantee communicated regularly and closely with the DWR grant manager.

DWR – DIVISION OF REGIONAL ASSISTANCE – FINANCIAL ASSISTANCE BRANCH

Grant Manager's (GM) Name & Title: Thomas Berg Senior Engineering Geologist GM's Signature: <u>Thomas Berg</u> Date: <u>8/10/2023</u> Email: <u>Thomas.Berg@water.ca.gov</u>	Program Manager Name & Title: Kelley List Senior Engineering Geologist PM's Signature: <u>Kelley List</u> Date: <u>8/10/2023</u> Email: <u>Kelley.List@water.ca.gov</u>
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DWR Grant Performance Evaluation Form (Rev. 01/2021)



August 17, 2023

The Honorable Gavin Newsom
Governor, Senate of California
1021 O St., Ste. 9000
Sacramento, CA 95814

The Honorable Toni Atkins
Pro Tempore of the Senate
1021 O St., Ste. 8518
Sacramento, CA 95814

The Honorable Ben Allen
Senator, 24th District
1021 O St., Ste. 6610
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O St., Ste. 8330
Sacramento, CA 95814

The Honorable Eduardo Garcia
Assemblymember, 36th District
1021 O St., Ste. 8120
Sacramento, CA 95814

Re: Small Groundwater Sustainability Agency Bond Priorities

Dear Governor Newsom, Senate Pro Tem Atkins, Assembly Speaker Rivas, Senator Allen, and Assemblymember Garcia:

We, the undersigned Groundwater Sustainable Agencies (GSAs) representing a coalition of small GSAs in California, write in support of the effort to pass a general obligation bond in the 2023 legislative session to fund water and climate resilience to protect the future of our state. Currently there are two natural resources bonds moving through the legislative process: AB 1567 (E. Garcia, et al) and SB 867 (Allen, et al.), both of which dedicate funding to projects that further the sustainability of groundwater resources which is urgently needed given the enormity of the problem and the oversubscription of Department of Water Resources' second round of Sustainable Groundwater Management Act (SGMA) implementation funding. Our coalition requests that the final bond proposal include at least \$250 million for SGMA implementation, and that preference be given to small GSAs.

Across California, from the North Coast down to San Diego through the Central Valley and out into the desert, groundwater sustainability agencies are working hard to implement the requirements of SGMA. GSAs, akin to the groundwater basins they are established to manage, range in size and capacity. Some GSAs manage basins that have small groundwater yields on an annual basis, with those signed onto this letter managing basins with annual pumping yields less than 10,000 acre-feet. The ability of small GSAs to assess fees on users is difficult as we are challenged to spread the cost across the low volume of groundwater pumpers. Accordingly, we must be extremely cost-conscious and careful in staffing our agencies and navigating the requirements of SGMA. Our budgets and capabilities to construct competitive grant applications are also challenged as can be seen in the DWR's Round 2 funding determinations.

DWR's Round 2 solicitation received 82 applications requesting more than \$790 million, three times more than the \$187 million of available funding. This is clear evidence that a climate bond must include robust funding for SGMA implementation. Moreover, the Round 2 solicitation awarded funding to only five small GSA basin applications out of a possible 23. Several small GSA applicants missed out on funding by one point, frustrating for any applicant but even more critical for small GSAs that depend on these grants to keep operations going. It is for this reason that we request the climate resilience bond to give preference to small GSAs to implement SGMA.

We are grateful for the hard work and dedication that has gone into the climate resilience bonds to date and for the ongoing leadership all of you have demonstrated in funding programs that position California to respond to the threat of climate change. We appreciate your consideration of our priorities as laid out above and we look forward to a final bond proposal that moves SGMA implementation forward to the benefit of all communities including those with small annual groundwater yields.

If you have any follow up questions please feel free reach out to us individually or to contact Mark Fenstermaker at 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
Petaluma GSA
Sonoma Valley GSA

Marina Deligiannis
Lead
Big Valley GSA