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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY Board of Directors Meeting

Thursday, March 20, 2025, at 6:00 p.m.
Capitola Branch Library, 2005 Wharf Road, Capitola
Meeting webcast (via Zoom) for remote viewing.

MINUTES

1. Call to Order

The meeting was called to order at 6:02 pm by Chair Kennedy.

2. Roll Call

Directors present: (Alternates acting as voting Directors shown in *italics*)

Jon Kennedy (Chair) – Private Well Owner

David Baskin (Vice Chair) – City of Santa Cruz

Jim Kerr (Secretary) – Private Well Owner

Curt Abramson – Private Well Owner

Carla Christensen – Soquel Creek Water District

Kim De Serpa – County of Santa Cruz (late arrival 6:07 pm)

Bruce Jaffe – Soquel Creek Water District

Robert Marani – Central Water District

Susie O'Hara – City of Santa Cruz

Shane Mckeithen – County of Santa Cruz

Alternates present as non-voting observers:

Doug Engfer (remote) – City of Santa Cruz

Robert Schultz – Private Well Owner

Member Agency Staff present:

Heidi Luckenbach – City of Santa Cruz

Melanie Mow Schumacher – Soquel Creek Water District

Sierra Ryan – County of Santa Cruz

Ralph Bracamonte – Central Water District

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Supporting Staff and Consultants:

Tim Carson, Rob Swartz, Sophia Sholtz – Regional Water Management Foundation (RWMF)

Georgina King (remote) – Montgomery & Associates (M&A)

Ryan Aston (remote), Alex Flink (remote) – SCI Consulting Group (SCI)

Mia Van Docto (remote) – Trout Unlimited (TU)

3. Oral Communications Related to Items Not on the Agenda

No questions or comments were received on the item.

4. Consent Agenda

4.1 Approve December 12, 2024 Meeting Minutes

4.2 Acknowledge 2025 MGA Board Appointments

MOTION: Director Kerr; Second: Director O'Hara; to approve the consent agenda. Director Baskin and Director Jaffe abstained from item 4.1 due to their absence from the December 12, 2024 meeting. Motion passed unanimously.

5. General Business

5.1 Approve Submittal of Santa Cruz Mid-County Basin Water Year 2024 Annual Report to the Department of Water Resources

Georgina King presented on the submittal of the Santa Cruz Mid-County Basin 6th Annual Report for Water Year 2024 (WY24). Due to the presence of new Directors, the presentation included a Groundwater Sustainability Plan (GSP) overview in addition to the Annual Report key takeaways.

The Basin is classified as a high-priority groundwater basin in critical overdraft due to the ongoing threat of seawater intrusion. Between 4,700 and 5,600 acre-feet per year (AF/yr) of groundwater is pumped from the Basin, and an additional 2,900 to 4,000 AF/yr of surface water is sourced to meet Basin demand within the City of Santa Cruz water service area, since 2015.

The Santa Cruz Mid-County Groundwater Agency (MGA)'s GSP addresses 5 of 6 sustainability indicators: lowering groundwater levels, seawater intrusion, reduction of storage, degraded quality, surface water depletion. The last sustainability indicator, land subsidence, is not relevant to the MGA's Basin.

Georgina King gave an overview of the MGA's timeline for the Sustainable Groundwater Management Act (SGMA) implementation and important milestones. She noted that the MGA is currently one-quarter of the way through the SGMA

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compliance timeline as of January 2025 and is expected to meet sustainability criteria by 2040, 20 years after the GSP was submitted and subsequently accepted.

Georgina King reviewed the Sustainable Management Criteria (SMC) for applicable sustainability indicators to give an overview of the Basin's health and sustainability:

Seawater Intrusion: 27 of 36 wells have chloride concentrations that are within the target range, there are 6 wells that do not fall within the target range of chloride concentration, and there are Undesirable Results occurring at 3 of those 6 wells.

Chronic Lowering of Groundwater Levels: The Measurable Objective was met at both Representative Monitoring Points (RMPs), and there are no wells that are measuring below the minimum threshold for groundwater levels.

Reduction of Groundwater in Storage: None of the three aquifer groups met the measurable objectives, one of three aquifer groups did not meet minimum threshold requirements, and Undesirable Results occurred due to pumping being greater than the minimum threshold for one aquifer group.

Degradation of Groundwater Quality: The Measurable Objectives have been met at several RMPs, a few RMPs showed an excess of iron, manganese, total dissolved solids, and chloride, though those results were due exclusively to preexisting conditions, so no Undesirable Results were noted.

Depletion of Interconnected Surface Water: One RMP met its measurable objective, one RMP has groundwater elevations that are below the minimum threshold. Due to the presence of RMPs that have groundwater elevations below the minimum threshold, there are Undesirable Results.

Despite the presence of Undesirable Results in the Basin, the MGA has until 2040 to make improvements. It is expected that as more projects come online (e.g. Pure Water Soquel), the SMCs that are of concern will continue to improve past the minimum threshold level.

Georgina King and Rob Swartz answered questions from Directors on the depth and location of monitoring wells, as well as the type of land use (agricultural, industrial, etc.) where the wells are located.

Public comment: Becky Steinbruner commented.

MOTION: Director O'Hara; Second: Director Baskin; to approve submittal of a transmittal letter and the Santa Cruz Mid-County Basin Water Year 2024 Annual Report from the MGA Basin Point of Contact to the Department of Water Resources in accordance with California Code of Regulations, Title 23 §353.4 and §356.2. Motion passed unanimously.

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5.2 Review Budget for Fiscal Year 2024-2025 and Provide Direction on
Preliminary Budget for Fiscal Year 2025-2026

Tim Carson reviewed the approved Fiscal Year 2024-2025 (FY 24/25) budget and projected totals and the preliminary budget for FY 25/26.

The beginning reserves in FY 24/25 total \$1.85 million and are projected at \$1.36 million in FY 25/26. The MGA is currently maintaining higher general reserves due to the potential for delays in grant reimbursements. The proposed budget for FY 25/26 draws down reserves by about \$400,000.

In FY 24/25 and FY 25/26, operating revenue (\$500,000 annually) is mainly from the California Department of Water Resources (DWR) Sustainable Groundwater Management Implementation Grant (SGMI Grant). Member Agency contributions were not collected in FY 24/25 and are not proposed in FY 25/26 because there are sufficient funds in General Reserves. In FY 25/26, operating revenue (\$75,000) from the Member Agencies will cover the portion of grant administration that is not covered by the SGMI Grant.

The operating expenses were presented by major budget category, which include Administration, Legal, Monitoring activities in the Basin, GSP Reporting, and Outreach. The projected operating expenses for FY 24/25 total \$1,063,402. The proposed operating expenses for FY 25/26 total \$903,000.

The ending reserves in FY 24/25 are projected to be \$1.36 million and are projected at \$1.03 million in FY 25/26. The ending reserves include a contingency fee (10%) based on total operating expenses.

Alternate Director Mckeithen noted the significant decrease in the budget for monitoring seawater intrusion. Tim Carson responded that grant funds applicable to seawater intrusion are available through calendar year 2025, so an effort was made to conduct as much work as possible before those funds expire.

Chair Kennedy requested clarification on how much of the current year's operating expenses were paid for by the Agency. Tim Carson responded that a significant portion of FY 24/25 is covered the DWR grants.

No public comments were received on the item.

MOTION: Director Baskin; Second: Director Jaffe; to direct staff to return in June with a finalized FY25/26 budget. Motion passed unanimously.
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5.3 Consider Consultant Selection for Planning and Technical Services

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Rob Swartz reviewed the history of the consultant contract currently held by Montgomery and Associates for planning and technical services. Montgomery and Associates was selected in 2020 for their major technical and planning support services and their contract was extended an additional two years per county regulations in 2023. After five years, potential contracts need to be put out for competitive solicitation via request for qualifications; Montgomery and Associates was the only response to the solicitation effort conducted in early February.

Public Comment: Becky Steinbruner commented.

MOTION: Director Jaffe; Second: Director Mckeithen; to approve consultant selection of Montgomery & Associates for planning and technical services. Motion passed unanimously.

5.4 Consider Amendment to Funding Agreement with the County of Santa Cruz for Planning and Administrative Services and Data Management System

Sierra Ryan provided information on the proposed renewal of a funding agreement between the County of Santa Cruz and the MGA. The County, as a member agency of both the MGA and the Santa Margarita Groundwater Agency (SMGWA) administers two contracts on behalf of the Groundwater Sustainability Agencies for work in support of SGMA implementation. KISTERS and RWMF provide their services to both MGA and SMGWA. KISTERS provides the required data management system. The RWMF provides administrative and planning services. Both the MGA and SMGWA have revenue agreements with the County to reimburse the cost of services rendered by KISTERS and the RWMF. Both contracts began on July 1, 2022 and expire on June 30, 2025.

Under County purchasing guidelines, contracts may be for up to three-years, with the option to extend for up to an additional two years. Sierra Ryan reported that she requested proposals with cost estimates from both organizations to provide services for an additional two-years. For the additional two-years, the MGA's portion of the estimated cost from KISTERS is approximately \$31,436; the MGA's portion of the RWMF's costs totals \$514,972.

The SMGWA Board of Directors approved an additional two-year revenue agreement at their February 27, 2025 meeting. The Executive Team recommends that the Board renew the revenue agreement with the County for an additional two years.

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No questions or comments were received on the item.

MOTION: Director Baskin; Second: Director Christensen; to approve and authorize the Soquel Creek Water District General Manager to execute an agreement with the County of Santa Cruz for administrative and planning services, and data management system (DMS) hosting and maintenance, in the amount not-to-exceed \$546,408 for Fiscal Years 2026 and 2027. Motion passed unanimously.

5.5 Receive Update on Sustainable Groundwater Management Act
Compliance Funding Options Assessment

Chair Kennedy provided background on the status and estimated timeline for the funding options assessment for SGMA regulatory compliance and made clear the Agency is very early in the process. Rob Swartz provided additional context.

Ryan Aston (SCI Consulting) summarized the information presented and feedback received at the March 17, 2025 public meeting for domestic groundwater users. There were approximately 110 people in attendance in person and 80 remote (online) participants. During the meeting, information was presented on SGMA, the Basin, and the Agency; long-term funding needs; and, potential approaches and considerations as the MGA assesses potential funding options to comply with SMGA.

At the public meeting information was presented on fee types under the California water code and potential fee methodologies, including volumetric fees, parcel-based fees, and a hybrid of those two fee types. Under a hybrid approach, a preliminary cost range to domestic groundwater users was estimated at \$20 to \$45 per parcel annually. Ryan Aston previously presented these approaches to the December 12, 2024 Board meeting.

Alex Flink, SCI Consulting, summarized feedback received from attendees at the March 17, 2025 meeting. He summarized and characterized concerns raised by attendees, grouping comments into common themes, including: questions about the need for a fee and the funding approach; groundwater rights and legal challenges; data accuracy about groundwater usage and parcel records; population growth and water demand from new housing developments; the lack of representation of private well owners and vote in the process, and interest in more opportunity for community input.

Chair Kennedy, who participated in the public meeting, conveyed it was clear from the attendees that spoke and others at the meeting they were strongly opposed to a fee being imposed on private well owners that rely upon groundwater for domestic supply.

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After Directors' comments and discussion, the Board directed the staff and consultant to better define the purpose and need for the fee and further explore funding options for Board consideration and direction before conducting additional public outreach.

Public Comment: Becky Steinbruner commented.

MOTION: Director O'Hara; Second: Director Baskin; to return in June with a more comprehensive overview of the process. Motion passed unanimously.

5.6 Conduct Annual Election of Officers

After Board deliberation, Director Kennedy was nominated and elected as the Chair, Director Christensen was nominated and elected as the Vice Chair, and Director Kerr was elected as the Secretary. All elections were majority vote.

No questions or comments were received on the item.

6. Informational Updates

6.1 Treasurer's Report

The Treasurer's Report can be found in the Agenda Packet for review.

No questions or comments were received on the item.

6.2 Staff Reports

- GSP Implementation Status Update

The GSP Implementation Status Update table can be found in the Agenda Packet for review.

No questions or comments were received on the item.

- SGMI Grant Update

The SGMI Grant Update can be found in the Agenda Packet for review.

No questions or comments were received on the item.

- Introduction to Groundwater, Watersheds, and Groundwater Sustainability Plans 2025 Short Course

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Short online course by University of California Agriculture and Natural Resources Extension Thursdays April 3, 17, May 1, 15, 29, 2025; 9:00 a.m. – 12:00 p.m. PDT

- Other

No questions or comments were received on this item.

6.3 Agreement with Geophysical Imaging Partners to Analyze 2017 and 2022 Airborne Electromagnetic Data

This item was moved to after Item 6.4 to allow Mia Van Docto to present without undue delay.

A sole-source contract was approved with Geophysical Imaging Partners in between board meetings. The selected source was uniquely qualified to perform the services. The total cost, approximately \$10,000, is below the authorization threshold requiring Board approval.

Rob Swartz added that the executive team is hopeful that they will be able to present results from this service at the following Board meeting in June.

Public Comment: Becky Steinbruner commented.

6.4 Annual Streamflow Monitoring Report – Presentation by Trout Unlimited

Mia Van Docto, Conversation Hydrology Program Director of Trout Unlimited (TU), gave a presentation on annual streamflow monitoring in the Basin. TU is monitoring streamflow at five locations along Soquel Creek and two locations along Aptos Creek. Streamflow monitoring is being conducted to understand the relationship between groundwater and surface water as part of the Basin's sustainable management criteria required under SGMA. Directors posed questions on the effectiveness of current strategies on streamflow management, and if there was meaningful information that could be derived from comparisons between Aptos Creek and Soquel Creek.

Public Comment: Becky Steinbruner commented.

7. Future Agenda Items

No questions or comments were received on this item.

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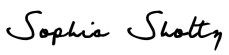
8. Written Communications and Submitted Materials


Written communications can be found at the MGA website.

9. Adjournment

Next Board Meeting: June 12, 2025

SUBMITTED BY:

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6/13/2025
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Sophia Sholtz
Regional Water Management
Foundation

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6/13/2025
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Jim Kerr
Santa Cruz Mid-County Groundwater
Agency