

**SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (SCMCGA)
MEETING MINUTES**

March 17, 2016

1. CALL TO ORDER

Dr. Bruce Jaffe called the meeting to order at 7:02 pm.

2. ROLL CALL

Soquel Aptos Groundwater Management Committee Members Present

Dr. Bruce Jaffe, Chair, Soquel Creek Water District

Dr. Tom LaHue, Vice Chair, Soquel Creek Water District (left at 8:40 pm)

John Benich, Central Water District

Bob Postle, Central Water District

Zach Friend, County of Santa Cruz (left at 8:33 pm)

Cynthia Mathews, City of Santa Cruz

Micah Posner, City of Santa Cruz

Curt Abramson, Private Well Owner Representative

Jim Kerr, Private Well Owner Representative

Jon Kennedy, Private Well Owner Representative

John Ricker, County of Santa Cruz, Alternate (arrived at 7:12 pm)

Committee Members Absent

John Leopold, County of Santa Cruz

Others Present

Ralph Bracamonte, Central Water District

Rosemary Menard as Alternate, City of Santa Cruz

Ron Duncan, Soquel Creek Water District

Heidi Luckenbach, City of Santa Cruz

Julia Townsend, Regional Water Management Foundation

Tim Carson, Regional Water Management Foundation

Matt Orbach, Soquel Creek Water District

Rob Marani, Central Water District

Sierra Ryan, County of Santa Cruz

Chris Olvera, California Department of Water Resources

Leslie Strohm, Soquel Creek, Water District

Members of the public (7)

3. ACTIONS TO INITIATE NEW AGENCY

3.1 Board Actions Needed to Enable the New Santa Cruz Mid-County Groundwater Agency to do Business:

A. Acknowledge Member Agency Appointees (Directors and Alternates) to the Agency Board

Mr. Benich commented on the importance of judgment, ethics, and accountability in garnering public trust in the newly formed SCMCGA. Mr. Benich questioned if it is appropriate for Mr. Posner to continue to serve SCMCGA in light of recent information regarding his building code violations. Mr. Benich expressed his preference for the

SCMCGA to start with a clean slate, and suggested that Mr. Posner resign. Mr. Kerr added that public perception and social capital are crucial as part of the SCMCGA process. Mr. Marani expressed that he shared Mr. Benich's opinion citing the need for credibility, transparency, and validity as core operating principles for the group. Dr. LaHue noted that SCMCGA procedures dictate that agencies can choose their representatives at any time. Dr. Jaffe expressed his gratitude for Mr. Posner's input and dedication to the group over time, and reiterated that the decision rests with the City of Santa Cruz.

Ms. Mathews reviewed the process by which committee assignments are made by the city, and reported on the city council's recent actions including censure and exploring conflict of interest issues. Mr. Posner expressed his hope that the group would still allow him to serve and then apologized and offered to step down if so desired. Dr. Jaffe reviewed the motion on the table and the procedure. Mr. Friend underlined the importance of respecting the process and autonomy of the entities that agreed to join the SCMCGA as willing partners. He offered as a point of order that the group suggests that the mayor consider whether Mr. Posner should continue to serve as part of the group and respond with her preference at the next meeting. The conversation was opened to the public, no comments were made.

MOTION: Mr. Friend; Second: Dr. LaHue; To acknowledge the representatives appointed by the member agencies to be the Directors and Alternate Directors for the Santa Cruz Mid-County Groundwater Agency. Amended, to suggest to the Mayor of the City of Santa Cruz reconsider Mr. Posner's position of the agency board and the Mayor's preference be reported to the group at the next meeting. Motion carried unanimously.

B. Election of Officers

The group discussed Dr. Jaffe's memo in support of Mr. Posner and whether his signature as Chair denoted the support of the group as a whole. Mr. Friend suggested formalizing a stipulation whereby the Chair's signature would be considered an action from the SCMCGA. Ms. Mathews recommended that members use discretion and note when they are representing their own opinion and not that of the larger group. Dr. Jaffe apologized and stated that his intention was not to represent the group as a whole. The group decided to make singular motions for Chair, Vice Chair, and Secretary respectively. The first member to receive the majority vote wins.

MOTION: Mr. Benich; Second: Mr. Friend. To elect Tom LaHue as Chair.
MOTION: Mr. Ricker; Second: Dr. LaHue. To elect Bruce Jaffe as Chair.
VOTE: Dr. LaHue 4 votes, Dr. Jaffe 4 votes.

MOTION: Mr. Benich; Second: Mr. Marani. To elect Tom LaHue as Chair.
MOTION: Mr. Friend; Second: Mr. Ricker. To elect Bruce Jaffe as Chair.
VOTE: Dr. LaHue 2 votes, Dr. Jaffe 5 votes. Mr. Posner abstained.

MOTION: Mr. Benich; Second: Mr. Ricker. To elect Rob Marani as Vice Chair. Motion passed unanimously.

The group noted that the SAGMC has been dissolved. Mr. Kennedy observed as a point of order that it seems strange that private well owners do not get to vote. The group discussed this item briefly then concluded that the procedure should be upheld as written because the by-laws need to be developed first. The group discussed the practical need for a Secretary. Mr. Friend noted that if the Chair and Vice-Chair are not present, the Secretary runs the meeting.

MOTION: Mr. Posner; Second: Mr. Friend; To elect Cynthia Mathews as Secretary. Motion carried unanimously.

C. Appointment of Interim Representatives of Private Well Owners

Ms. Menard reviewed the intended plan; to appoint Private Well Owner Representatives now, complete the bylaws by July, and use the mechanism in the bylaws to confirm the representatives. Dr. Jaffe reviewed the process of selecting the current representatives. The group responded to a public comment asking why Private Well Owner Representatives cannot vote. Ms. Menard clarified that the representatives will be able to vote on officers and policy decisions once they become formally appointed and the bylaws are finalized. At the present time there is no official mechanism to appoint them. Mr. Posner invited the representatives to provide input on the decision of whether or not he will step down, and encouraged them to talk with Ms. Mathews.

MOTION: Dr. LaHue; Second: Mr. Ricker; To appoint the current representatives as interim representatives of Private Well Owners to the Board. Motion carried unanimously.

D. Establish a Parent Agency

Ms. Menard suggested voting on items D through I in one block.

MOTION: Dr. LaHue; Second: Mr. Benich; To address items D through I in one block. Motion carried unanimously.

Mr. Friend clarified that since the group is not a small body, the Chair can vote but may not make a motion. Dr. Jaffe reported that legal counsel recommended going with an agency with greater powers, and that practically it makes sense for the Soquel Creek Water District to serve as the Parent Agency. Ms. Menard agreed. Mr. Kennedy added that for situations where policies are not outlined in the bylaws, the SCMCGA would adopt the existing policies of the Parent Agency. Mr. Marani asked about existing guidance for creating bylaws for GSAs. Ms. Menard replied that the Subcommittee will look for models, and will follow up with Association of California Water Agencies (ACWA). Mr. Olvera reported that the Department of Water Resources offers a facilitation service.

MOTION: To establish the Agency's Principal Office and the Agency's parent agency, for the Agency's policies, procedures, and operating systems. Motion carried unanimously.

E. Appoint a Treasurer

MOTION: To appoint Leslie Strohm as Agency Treasurer and, if appropriate, authorize including reimbursement for these services to the district or member agency providing these services in the Agency's annual budget. Motion carried unanimously.

F. Appoint an Attorney

MOTION: To provide direction on the appointment of one or more Agency attorney (s). Motion carried unanimously.

G. Assume contracts for services from the former JPA (Basin Implementation Group and/or the Soquel-Aptos Groundwater Management Committee)

MOTION: To approve assumption of existing contracts for services entered into by the BIG/SAGMC JPA. Motion carried unanimously.

H. Assume responsibility as the Requesting Agency for the Santa Cruz Mid-County Groundwater Basin Boundary Modification Request Initiated by SAGMC

MOTION: To approve assumption of responsibility for the Santa Cruz Mid-County Groundwater Basin Boundary Modification Request initiated by SAGMC. Motion carried unanimously.

I. Establish the Agency's Fiscal Year

MOTION: To establish the fiscal year as July 1 – June 30 for the Santa Cruz Mid-County Groundwater Agency. Motion carried unanimously.

J. Appoint a Bylaws Subcommittee

Ms. Menard reported that the Subcommittee intends to bring the bylaws to the May meeting, and hopes that the bylaws will be in place by the July meeting of this group. Dr. LaHue asked if the Subcommittee members can be provisional. Ms. Menard answered yes, and said that the Subcommittee can have up to five members. Mr. Benich suggested that the Subcommittee be made up of one representative from each District and one Private Well Owner. The group agreed. Dr. Jaffe asked for volunteers: Mr. Friend, Mr. Marani, Mr. Kennedy, Dr. Jaffe, and Ms. Mathews volunteered. The group responded to a public comment asking how small water companies have been incorporated into the process. Mr. Ricker mentioned that during the process of selecting Private Well Owner Representatives non-municipal entities (e.g., small water systems, Cabrillo College, Seascape Golf Course, and agricultural users) were able to apply.

MOTION: Mr. Friend; Second: Dr. LaHue; To appoint the above volunteers to serve on the Bylaws Development Subcommittee, a temporary subcommittee serving until July 21, 2016 and established to develop a draft of Agency bylaws for review and action by the full Board. Motion carried unanimously.

K. Direct staff to prepare for the Chair's signature the necessary filings related to the formation of the Joint Powers Agency

MOTION: Dr. LaHue; Second: Ms. Mathews; To direct staff to prepare for the Chair's signature the filings required to complete the notifications required in JPA Section 2.1. Motion carried unanimously.

3.2 Executive Committee Staffing Recommendations

The Executive Team (Mr. Duncan, Ms. Menard, Mr. Ricker, Mr. Bracamonte) reported on and reviewed their recommendations for staffing the agency including working with the Regional Water Management Foundation (RWMF) and hiring 1.5 Full-Time Equivalent (FTE). Tim Carson reported on meeting with Executive Committee to outline a general plan for the proposed structure and support from the RWMF and the Community Foundation of Santa Cruz County (CFSCC). He noted that staff hires would be employees of the CFSCC, and that both organizations have given their initial support. Dr. Jaffe opened the discussion up to public comment, no comments were offered. Mr. Ricker clarified that the approach outlined is a collaborative staffing model, and that the plan is to hire staff by July 1, 2016. Mr. Duncan introduced Leslie Strohm, the Finance Manager for the Soquel Creek Water District who will be the Treasurer for the new organization and managing the financial aspects of the agency moving forward.

MOTION: Dr. LaHue; Second: Mr. Benich; To accept the direction of the Executive Committee regarding staffing recommendations as outlined in the meeting packet. Motion carried unanimously.

3.3 Date for Public Hearing Required to Occur in Advance of the SCMCGA Filing with the State to be Designated as the Groundwater Sustainability Agency

Ms. Menard proposed directing staff to prepare the materials necessary to be submitted by the next meeting on May 19th. Dr. Jaffe opened to public comments. A member of the public noted that there are constituents without internet or email, and that mailing should be encouraged. The group discussed the continued need to communicate about the existence of the group. Mr. Posner asked for input on whether now is a good time to communicate or focus on the development of the Groundwater Sustainability Plan. Mr. Ricker replied that a key time for public involvement will be as the plan is developed. He reported that the group sent a mailing to 1,700 well owners a few months ago. Bill Wigginton (part of the formation committee for SAGMC) noted that financial staffing is critical, and that budget tracking should be ongoing. He expressed his desire for the financial management aspects of the group to be emphasized more today and in the future.

Mr. Kennedy shared advice from legal counsel to designate someone that already is a Certified Public Accountant (CPA) within one of the agencies. He noted that designating a treasurer was addressed briefly previously on the agenda, and budget procedures can be specified in the bylaws. Mr. Wigginton asked the group to consider appointing an independent financial manager, stating that the current financial structure might look too embedded in terms of public perception. Ms. Strohm added that this group will have separate books and audits independent from the Soquel Creek Water District. The group then discussed the background of the RWMF in response to a public comment requesting more information.

MOTION: Dr. LaHue; Second: Ms. Mathews; To direct staff to prepare JPA formation materials be submitted by the next meeting on May 19th. Motion carried unanimously.

4. **ORAL COMMUNICATIONS** (*items not on the Agenda*)
None

5. **PLANNING BUDGET FOR THE FISCAL YEAR 2016/17**
5.1 Approve Annual Budget for Fiscal Year 2016/17 for SCMCGA

The group reviewed the total budget and agency split outlined in the meeting packet. Dr. LaHue noted that the salaries listed include benefits. Ms. Menard noted that the amounts listed include additional in-kind services to be contributed by the agencies in the amount of \$300,000-\$400,000. Dr. LaHue requested recommendations from the group as to how the hiring of staff will work. Mr. Kennedy requested that the managerial oversight for staff be clarified. The group discussed the need for clarification of roles for the new hires. Ms. Menard envisioned that the FTE will work on plan development, and agency coordinators will staff the board. The group agreed to discuss the selection and hiring process of staff at the next meeting as well as anticipated roles for staff in relation to the Executive Team, Board and Subcommittees. Mr. Friend and Dr. LaHue left the meeting.

MOTION: Ms. Mathews; Second: Mr. Benich; To approve the budget for Fiscal Year 2016/2017 for SCMCGA. Motion carried unanimously.

6. **ACCEPT MINUTES**
6.1 Accept Minutes from January 21, 2016 SAGMC Meeting

MOTION: Ms. Mathews; Second: Mr. Posner; To approve the minutes of January 21, 2016. Motion carried unanimously.

7. **INFORMATION ITEMS**
7.1 Final Working Version of Community Engagement Plan

No comments.

7.2 Lessons Learned About SGMA-Related Collaboration Support Based on State Water Resources Control Board (SWRCB)-Funded Assistance for Stakeholders in the Soquel Valley Groundwater Basin

No comments.

8. **REPORTS**

8.1 Oral – time for any SCMCGA member to report out.

Mr. Kerr reported from the Communications Working Group. Matt Orbach sent out an email blast through Mail Chimp that had an open rate of 58%, and a click rate of 10%. The most popular link was www.midcountygroundwater.org. Future email blasts will go out under the new group name and are anticipated to be bi-monthly in months with meetings or events scheduled. A web developer has set up Google analytics for the website, and Sierra Ryan has been working on adding content. Mr. Kerr encouraged the group to provide feedback. Mr. Kerr provided an update from the working group meeting on February 19th. He highlighted the potential for the editorial board at the Sentinel covering the new group, GSA, and GSP process. Ms. Menard was recently on the radio, and KSCO is a consistently receptive channel. The Communications Working Group will meet next on Monday, March 21st to create an official list of interested and affected parties for the GSP, logo, and style guide.

The Private Well Representatives held a meeting on March 8th, and shared that there were about 20 people in attendance with 2/3rds of the attendees being the same individuals that applied for a seat on the SAGMC initially. The working group will deliver the input received at that meeting at the next SCMCGA meeting. Mr. Kennedy underlined the importance of the SCMCGA acting as an effective marketing group to engage agricultural communities and institutional water users like Cabrillo and golf course stakeholders. The group discussed the crucial nature of communications moving forward. Mr. Duncan shared an email from Brian Lockwood citing the Pajaro Valley Water Management Agency's approval of the basin boundary request and intention to work together in the future.

Future agenda items mentioned: outreach update and discussion of how best to treat the input of members of the Communications Working Group that may be non-voting.

9. **ADJOURNMENT**

Being no further business, the meeting was adjourned at 8:56 p.m. The next meeting of the Santa Cruz Mid-County Groundwater Agency will be held on Thursday, May 19, 2016.

SUBMITTED BY:

APPROVED BY:

Julia Townsend, Program Associate
Regional Water Management Foundation

Ron Duncan, General Manager
Soquel Creek Water District