



SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY
Board of Directors Remote-Access Meeting
Thursday, March 17, 2022

MINUTES

1. Call to Order

The meeting was called to order at 6:00 p.m. by Chair LaHue.

2. Roll Call

Directors present: Bruce Jaffe, Jon Kennedy, Jim Kerr, Manu Koenig, Tom LaHue, Donna Meyers, and Marco Romanini. Alternate Directors present: Doug Engfer, Robert Schultz, and Allyson Violante.

Directors absent: Curt Abramson, David Baskin, Zach Friend, and Rob Marani.

Staff present: Ralph Bracamonte, Ron Duncan, Heidi Luckenbach, Sierra Ryan, Leslie Strohm, Tim Carson, and Laura Partch.

Others present: Approximately six members of the public.

3. Oral Communications

None.

4. Consent Agenda

- 4.1 Approve December 16, 2021 Board Meeting Minutes (no memo)
- 4.2 Acknowledge Member Agency Board Appointments

<p>MOTION: Director Jaffe; Second, Director Kennedy. To approve the consent agenda. Motion passed unanimously by roll call vote; Director Meyers abstained on Agenda Item 4.1.</p>
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5. General Business

- 5.1 Consider Board Resolution No. 22-01 Authorizing Remote Meetings in Compliance with Assembly Bill 361

Staff noted that the California state of emergency regarding COVID-19 remains in place, as does the County Health Officer recommendation for social distancing and remote meetings for legislative bodies, so the Santa Cruz Mid-County Groundwater Agency (MGA) Board of Directors has the option under AB 361 to pass the draft resolution and meet remotely on June 16th, 2022. If the Board passes the resolution to meet remotely in June, it will need to meet remotely. Staff is looking into locations for in-person meetings.

No public comment.

MOTION: Director Romanini; Second, Director Jaffe. To adopt Resolution 22-01, authorizing the June 16, 2022 Board meeting to be held virtually in accordance with Government Code § 54953(e). Motion passed unanimously by roll call vote.

5.2 Approve Submittal of the Santa Cruz Mid-County Basin Water Year 2021 Annual Report to the Department of Water Resources

Georgina King of Montgomery & Associates summarized the Third Annual Report on the Santa Cruz Mid-County Basin (Basin), required by the Department of Water Resources (DWR) and due on April 1, 2022. The information is included in a [Board Presentation](#) and at minutes 12:40 to 38:00 in the [video recording](#) of the meeting.

Ms. King noted that new data will be available for subsequent reports and the 5-year Groundwater Sustainability Plan (GSP) update, given the addition of one deep well and several stream gages, as well as the impact from the Soquel Creek Water District's (District) Pure Water Soquel project (PWS) and the City of Santa Cruz's (City) Aquifer Storage and Recovery project (ASR).

Will the ASR exchange between the City and District remain at the same volume in the coming years?

- The volume will vary dependent on conditions.
- In 2019, the average was about 400,000 gallons a day in Service Area 1. An exchange at that level could happen again, but it depends on both the amount of water available and if the water can be delivered to the service area.

Was there anything unexpected reflected in the Annual Report?

- No. The presentation did not include the depletion of interconnected surface waters, which was a decline of about half a foot. Last year more wells had levels above the minimum thresholds, this year they were below, which had to do with the limited amount of rainfall. There were no big changes and it looks very similar to the last few years. It will be exciting to see the impact of injection from PWS.

Will that be included in the 5-year update?

- There will only be a few years of new data by the 5-year update, so changes may not be made until the 10-year update, but there are many unknowns.

MOTION: Director Engfer; Second, Director Kennedy. To receive the Santa Cruz Mid-County Basin Water Year 2021 Annual Report (Third Annual Report), and approve the submittal of a transmittal letter from the MGA Basin Point of Contact and the Third Annual Report to DWR in accordance with California Code of Regulations, Tit. 23, § 353.4 and § 356.2. Motion passed unanimously by roll call vote.

5.3 Review Budget for Fiscal Year 2021-22 and Consider Preliminary Budget for Fiscal Year 2022 – 2023

Staff reviewed the Board packet information on the mid-year budget, anticipated expenses through the remainder of the fiscal year, and the projected budget for the next fiscal year, primarily through Table 1 Budget Summary and Table 2 Operating Expenses.

The administration budget will be used in full this year, with a slight increase for next year. Administration and planning services are currently out to bid by the County of Santa Cruz (County) for the next three fiscal years. The contract award will come to the County Board of Supervisors in June for approval.

Legal fees are less than budgeted in Fiscal Year (FY) 2021-22, but are kept at the same amounts in case needed next year. Management and Coordination includes technical work by Montgomery & Associates for Sustainable Groundwater Management Act (SGMA) technical support, separate from GSP annual reporting, Monitoring Network Expansion, or Data Management System. The projected total is less than anticipated as revisions to the GSP were not required by DWR and the minor revisions recommended by DWR will be addressed in the 5-year update.

There were no Groundwater Model Simulations unrelated to the annual report in FY 2021/22. Moving forward, Groundwater Model Simulations will be budgeted for specific projects and management actions.

Staff Support includes miscellaneous staff support, including Regional Water Management Foundation (RWMF) programmatic support for GSP implementation (e.g., metering program, Basin monitoring network). This amount is constant for the next budget.

Monitoring shows the biggest difference between the proposed and projected budgets since work that was previously expected to occur this year will happen next year. In the next fiscal year, construction activities to expand the Basin monitoring network (currently out to bid) will be completed, streamflow monitoring will be expanded, and the Groundwater Extraction Metering Program will shift from planning to implementation. While AEM surveys are budgeted for next year, timing is subject to change based on state surveys.

SGMA Planning and Coordination provides additional staff support for next year. The County RFP for Groundwater Sustainability Agency (GSA) Administration and Planning includes adding a senior planner for planning and coordination.

Table 2 identifies funding included in the current Sustainable Groundwater Planning grant (SGWP Grant) and in the anticipated Sustainable Groundwater Management Implementation grant (SGMI Grant).

The total amount of the SGMI Grant is \$7.6 million, with \$2.8 million anticipated for Member Agency led components in FY 2022-23. The MGA will serve as Grantee, with grant funds passing through the MGA to the Member Agencies. The Member Agencies will lead their respective projects/tasks and will contract for the work. The Member Agencies will submit eligible incurred expense for grant reimbursement from DWR via the MGA. Finalized details on the SGMI Grant award and sub-grantee agreements with the Member Agencies are anticipated to be before the Board in June.

In Table 1, Budget Summary, Member Agency contributions resumed in FY 2021-22 and increased slightly to \$312,000 for FY 2022-23. There is a change to the 5-Year GSP Evaluation (2025) Reserve. While the approach had been for the Member Agencies to contribute each year to cover the cost of the 5-year update, it is now anticipated that the SGMI Grant will cover the cost of the 5-year update. For this year, the \$75,000 will roll over to the general reserve.

The SGWP Grant is expected to end the middle of the next fiscal year, and so \$200,000 in retention funds is identified under operating revenue for FY 2022-23. If grant completion is delayed, the retention will not be released until later. This uncertainty played a part in the decision to continue Member Agency contributions for the next fiscal year.

No public comment.

No recommendations made or Board action taken.

5.4 Nomination of a Board Member to Serve on County Drought Response Working Group in Response to Senate Bill 552

Staff reported Senate Bill 552 (SB 552), passed in September 2021, is intended to cover wells and water systems serving between 1 and 1,000 connections. It includes requirements for small water systems, including groundwater level monitoring, backup water supply sources, metering, fire flow requirements, and continuous operation during power outages. Some requirements will start as soon as next year.

The law provides a separate set of requirements for counties, primarily the creation of a standing body to develop a plan for water systems with 15 or fewer connections and domestic wells within a county's jurisdiction. This body is to develop a plan for the

consolidation of water systems and domestic wells, a domestic well mitigation program, emergency response, plan implementation, funding, and required data.

SB 552 is one of three pillars of groundwater sustainability, the others being SGMA, which focuses on pumping in geographically defined basins, and regional supply planning for bigger-picture water management, resiliency, and water supply during droughts (which SGMA exempts). The intent of SB 552 is to focus on those left behind by regional bodies within each county beyond the jurisdiction of GSAs.

The County's Water Advisory Commission will be assuming responsibility for implementation of SB 552. The Commission is seeking to create a Drought Response Working Group to, at a minimum, create a plan. The working group will include six public agency positions, including three Water Advisory Commission members and a representative from each of the local GSAs (with preference for a private well owner representative), one environmental justice/affordability representative, and two at-large representatives. The work of this group will be the first phase in a longer-term project, and will look at near-term parameters, include Climate Action and Adaptation Strategy, as well as longer-term needs, in coordination with DWR.

This may be an opportunity for Santa Cruz County and the region to come up with a draft plan that DWR may use as a template to assist other agencies.

No comments.

MOTION: Director Kerr; Second, Director Meyers. To nominate MGA Director Jon Kennedy to participate in the Santa Cruz County Water Advisory Commissions Drought Response Working Group. Motion passed unanimously by roll call vote.

6. Informational Updates

6.1 Treasurer's Report

No questions, comments.

6.2 Oral Reports

6.2.1 Update on Sustainable Groundwater Management Implementation Grant Round 1 Proposal

At its meeting in March, the Board approved a resolution to apply for the SGMI Grant funds and to create a temporary Board committee for the development of the grant proposal. The committee met twice in January to review and select projects, and a grant proposal was submitted to DWR in mid-February. The committee needed to identify projects totaling \$10 million, with an expected award of \$7.6 million. The Board packet includes some of the

materials submitted to DWR, as well as additional information on the committee process. Project Information Forms were not required as part of the application, but assisted staff and the Board committee in identifying relevant information from the GSP. Using the scoring criteria, projects were ranked by importance to the Basin and meeting the goals of the GSP.

Within the grant proposal, the Sustainable Groundwater Management Evaluation and Planning project will assist with SGMA compliance, planning and implementation for the 5-year update, and the annual report. In the discussion of the budgets, Staff indicated that the costs for these items are expected to be funded through this grant.

The SGMI Grant runs through June 2025. DWR has indicated it is ready to develop the Grant Agreement. The proposed amount (\$10 million) will be reduced to the amount available (\$7.6 million), so the project costs will be adjusted.

DWR plans to issue its funding award recommendations in the spring. The MGA will then develop sub-grantee agreements with MGA Member Agencies for their respective projects and/or tasks.. DWR anticipates moving fairly quickly; ideally final information will be available by the June Board meeting.

Staff thanks the Board committee members for their help in developing the proposal.

6.2.2 Update on Monitoring Network Development

Balance Hydrologics has worked over the past year to identify locations for seven shallow monitoring wells and six stream gages. The County is taking the lead on the construction of the shallow wells, and issued a request for sealed bids that closes April 12th. All of the monitoring wells will be located within the County right of way. The stream gage locations include some already in use and also some new locations. Staff is working with legal counsel to develop access licenses required for some of the stream gages. The plan is to install the stream gages by May since they are intended for the dry season.

6.2.3 Update on Request for Proposals Process for Planning and Administrative Services

The County has also taken the lead on issuing an RFP for planning and administrative services to both MGA and the Santa Margarita Groundwater Agency under a three-year contract for services.

6.2.4 County Revenue Agreement: Data Management System; Basin Monitoring Network Improvements; and Administrative and Planning Staff Support

A FY 2022-23 revenue agreement with the County will come to the Board in June and is expected to cover the following: 1) well construction costs, 2) planning and administrative

services for the MGA, and 3) ongoing maintenance and hosting expenses for the Data Management System (DMS) by KISTERS.

6.2.5 Update on Data Management System

The Board packet included a statement from KISTERS on the cyber-attack and outlined precautions to prevent an attack in the future. DMS development is moving forward and is expected to be completed in June. There will be ongoing costs for maintenance and hosting, but ongoing costs will be lower with the completion of the DMS.

6.2.6 Update on Non-*De Minimis* Groundwater Metering Program

Staff has been working with Geosyntec and the Board Metering Committee on this program. It is estimated that 30 to 40 parcels will need to be metered. Other parcels that are already metered will need to start reporting. In order to get feedback from the community, there will be two public meetings in April, one in-person meeting and one via video. Letters about the meetings will be sent in April to all the identified properties, as well as to the owners in case they live at different locations.

6.2.7 Reminder for Filing Form 700 Statements – Due April 1st

7. Future Agenda Items

8. Written Communications and Submitted Materials

9. Adjournment

The meeting adjourned at 7:40 p.m.

Next Board Meeting: June 16, 2022