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SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY

Board of Directors Meeting

Thursday, December 14, 2023, at 6:00 p.m.
Capitola Library, 2005 Wharf Road, Capitola

MINUTES

1. Call to Order

The meeting was called to order at 6:00 by Chair Kennedy.

2. Roll Call

Directors present: Curt Abramson, Carla Christensen, Jon Kennedy, Jim Kerr, Tom LaHue and Alternate Directors Doug Engfer, Allyson Violante, Frances Whitney.

Directors absent: David Baskin, Zach Friend, Fred Keeley, Manu Koenig, Rob Marani, and Marco Romanini.

Staff present: Ralph Bracamonte, Rosemary Menard, Sierra Ryan and Leslie Strohm. Ron Duncan joined remotely for Agenda Item 3.

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

Others: Several members of the public.

3. Appreciation for Service by Rosemary Menard

Directors and staff acknowledged that Ms. Menard's understanding of complex water issues and sophisticated management skills informed the framework of the Santa Cruz Mid-County Groundwater Agency (MGA) and have been significant factors in its success. Ms. Menard was appreciated for her strategic thinking, collaborative approach to problem solving, and her recognition of the importance of relationships between agencies and the public to solve the issues facing the Santa Cruz Mid-County Groundwater Basin (Basin). Ms. Menard's ability to make complex water issues understandable, her advocacy for the Basin, and her role as a mentor, were also greatly appreciated.

4. Oral Communications Related to Items Not on the Agenda

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

Director LaHue was thanked for his work on the MGA Board since its inception.

5. Consent Agenda

- 5.1 Approve September 21, 2023, Meeting Minutes
- 5.2 Approve 2024 Board Meeting Schedule
- 5.3 Approve Submission of Application under Library Community Use Policy

In response to a Board question, staff noted that the location for any additional Board meetings required in 2024 would be either the Capitola Branch Library or the Community Foundation.

MOTION: Director Kerr; Second, Alternate Director Engfer. To approve the consent agenda. Motion passed unanimously; Director LaHue and Alternate Director Whitney abstained from Item 5.1.

6. General Business

- 6.1 Resolution on the Appointment of Private Well Owner Representatives

MOTION: Director LaHue; Second, Director Christensen. To approve Board Resolution No. 23-01 which appoints Private Well Owner Director Kerr and Alternate Director Schultz to four-year terms effective January 1, 2024. Motion passed by roll call vote of a majority of the Member Agency Directors: Carla Christensen, Tom LaHue, Alternate Directors Doug Engfer, Allyson Violante, Frances Whitney.

- 6.2 Presentation and Acceptance of Annual Independent Audited Financial Report for Fiscal Year 2022-23

MGA Treasurer Leslie Strohm presented the auditor's unmodified opinion attesting to clean financial statements conducted pursuant to generally accepted auditing standards. Net positions increased by approximately \$32,000 due to revenues from Sustainable Groundwater Management Implementation grant (SGMI Grant) projects. Internal controls were reviewed and found sufficient.

In response to a Board question regarding the use of a non-interest bearing account, it was noted that an investment policy may be pursued in the coming year. If approved by the Board, the policy would allow the movement of certain funds to interest bearing accounts.

MOTION: Director Abramson; Second, Director LaHue. To accept the audited Financial Report for the period ending June 30, 2023. Motion passed unanimously.

- 6.3 Ratify Selection of Legal Counsel on Sustainable Groundwater Management Act Implementation Actions and Approve Fiscal Year 2023-24 Budget for Legal Services

Following previous Board discussions, in October the MGA released a Request for Qualifications for Legal Counsel on the Sustainable Groundwater Management Act (SGMA). Four firms responded and following an evaluation of the qualifications of each firm, a decision was made to interview three firms. Based on both the qualifications and interviews the selection committee unanimously decided to proceed with Best Best & Krieger (BBK).

The fiscal budget legal services for 2022-23 previously approved by the Board is \$20,000. Staff is requesting that the Board ratify the selection of BBK and approve an increase in the stand-alone budget category by \$30,000, for a total of \$50,000. Under the MGA Procurement Policy, the Executive Team is authorized to approve items up to \$50,000. The Executive Team approved the decision to move forward with BBK.

BBK currently provides services to Soquel Creek Water District (District) and the City of Santa Cruz. MGA legal counsel has reviewed the selection of BBK and did not find significant issues. Both member agencies have signed conflict waivers, and the BBK attorneys working with the MGA will not be involved in services to those member agencies.

In response to a Board question, staff responded that MGA legal counsel accepted the proposed language change requested by BBK.

Public Comment: Becky Steinbruner asked regarding potential legal challenges the MGA may be anticipating and noted that BBK also represents the Santa Cruz Local Agency Formation Commission.

The Board Chair noted prior Board discussions on the MGA's need for outside legal expertise under SGMA pertained to a proposed metering program for non-de minimis users.

MOTIONS: Director Engfer; Second, Director Kerr. To 1) ratify the selection of Best Best & Krieger, LLP to provide legal services support on SGMA matters, 2) approve an increase of \$30,000 to the Fiscal Year 2023-2024 budget for legal services, and 3) authorize the Board Chair to execute the related conflict waiver letters between the MGA and Soquel Creek Water District and the City of Santa Cruz. The motions were voted on together and passed unanimously.

6.4 Receive Information and Provide Direction on the Periodic (5-Year) Evaluation of the Groundwater Sustainability Plan

Georgina King of Montgomery and Associates provided a presentation on the Periodic (5-Year) Evaluation of the Groundwater Sustainability Plan. Ms. King's presentation and following discussion by the Board, staff, and public comment at minutes 33:09 to 1:46:52 of the meeting recording on the MGA website.

Issues raised during the Board discussion included: Airborne Electromagnetic (AEM) surveys and the possibility of additional flight patterns; Department of Water Resources review of existing annual reports; questions regarding updates to the climate model, and preliminary results from the optimization study.

Public comment: Becky Steinbruner raised questions including regarding land use and new housing, future AEM surveys, chloride issues, requested the use of recycled water at the Seascape golf course and managed aquifer recharge in that area.

Staff noted that regarding preliminary results of the optimization study (SGMI Grant Component 4) preliminary results, that work is not yet done, including an evaluation of alternatives. As additional data becomes available, additional meetings could be scheduled to inform future decision-making.

6.5 Receive Information and Provide Direction on Well Metering Program for Non-de minimis Users

A Non-De Minimis Groundwater Extraction Metering Program Update was provided by staff at minutes 1:47:50 to 1:58:05 of the meeting recording.

Staff reported that the past few months have been focused on hiring SGMA legal counsel to consider program possibilities such as nonparticipation, enforcement, meter installation, the possible use of the SMGI grant funds to assist with that cost, and ongoing reporting.

At the March 2024 Board meeting, staff anticipates bringing for Board approval a Non-De Minimis Well Registration, Meter Installation, Reporting Policy. Following approval, staff will begin reaching out to engage with non-de minimis users to better understand their parcels and water usage and will work on the financial assistance component. Staff noted that Santa Barbara County, which includes multiple basins, began a rebate program over a year ago but has not yet received any rebate requests.

In response to Board questions: 1) it is anticipated that meter reading would require the homeowner to take a picture of the meter reading and submit it to the MGA, and 2) staff would like to engage in discussions with members of the earlier Board metering subcommittee to get additional background on past efforts.

Public Comment: Becky Steinbruner appreciated the update and had questions on existing pumping at Seascape and how that might be influenced by a recent rezoning for additional residences on that property. She also suggested an informational town hall meeting as a first step in reaching out to non-de minimis users.

Staff clarified that work performed and expenses incurred prior to April 30, 2025 may be eligible for reimbursement from the SGMI Grant.

7. Informational Updates

7.1 Treasurer's Report

A Board request was made for a breakdown of MGA administrative expenses paid by the District and grant reimbursement to the District, rather than a total paid to the District. Staff will report back to the MGA Treasurer.

Public Comment: Becky Steinbruner inquired about the financial report.

7.2 Staff Reports

- GSP Update:

Work is progressing on the Olive Springs Road shallow monitoring well. Dry season monitoring has concluded, and the loggers have been removed to avoid potential damage or loss from high streamflow events during the winter. Data downloads are expected by the end of December.

- SGMI Grant Update

Staff reviewed a chart on each of the grant components: Component 1, Cunnison Lane Groundwater Well (completed Request for Qualifications and issued Notice to Proceed on engineering design; grant funded activity not yet

underway); Component 2, Aquifer Storage & Recovery, Beltz Wellfield (design is underway); Component 3, Park Avenue Transmission Main Improvements (construction almost completed); Component 4, Technical Developments of GSP projects (four subtasks underway); and Component 5, Sustainable Groundwater Management Evaluation and Planning (multiple implementation activities underway, many of them reported on earlier in the meeting).

7.3 Annual Status Report on Fair Political Practices Commission Compliance

8. Future Agenda Items

9. Written Communications and Submitted Materials

9.1 Email communication from Becky Steinbruner dated November 4, 2023

10. Adjournment – The meeting was adjourned at 8:15.

Next Board Meeting: The next Board meeting is March 21, 2024