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Board of Directors Meeting
Minutes

Date: **August 27, 2026**
Time: **6:00 p.m.**
Location: **Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, CA**

1. CONVENE

1.1 CALL TO ORDER AND ROLL CALL

Chair Perri called the meeting to order at 6:00 p.m.

Directors Present: (Voting Alternates represented in *italics*)
Chris Perri (Chair) – Scotts Valley Water District
Bob Russ (Vice Chair) – San Lorenzo Valley Water District
Edan Cassidy (Secretary) – Well Owner Representative
Frank Cheap – Well Owner Representative
Doug Engfer – City of Santa Cruz (Remote via Zoom)
Bryan Largay – San Lorenzo Valley Water District
Wade Leishman – Scotts Valley Water District
Dale Pollock – Mount Hermon Association
Greg Wimp – City of Scotts Valley (arrival after roll call at 6:01pm)
Rae Spencer-Hill – County of Santa Cruz

Directors Absent:
Manu Koenig – County of Santa Cruz
Monica Martinez – County of Santa Cruz

Non-Voting Alternate Directors: (Present as Non-Voting Observer)
Ruth Stiles – Scotts Valley Water District (Remote via Zoom)

SMGWA Member Agency Executive Staff:
Jason Lillion – General Manager, San Lorenzo Valley Water District (Remote via Zoom)
David McNair – General Manager, Scotts Valley Water District

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Other:
Teresa Rein – SMGWA legal counsel; Rein & Rein
John Dillon – SMGWA Treasurer; Finance and Customer Service Manager, Scotts Valley Water District
Tim Carson, Rob Swartz, Sophia Sholtz – Regional Water Management Foundation (RWMF)
Raymond Martin – Well Owner Representative Alternate candidate
2 members of the public

1.2 Additions/Deletions to the Agenda
None.

1.3 Oral Communications on Matters Not on the Agenda
None.

2. CONSENT

2.1 Approval of Minutes from May 28, 2026
2.2 Annual Review of Investment Policy

MOTION:	E. Cassidy/D. Pollock moved to approve the Consent Agenda.
AYES:	E. Cassidy, F. Cheap, D. Engfer, B. Largay, W. Leishman, C. Perri, D. Pollock, B. Russ, G. Wimp, R. Spencer-Hill
NOES:	None.
ABSTAIN:	None.

3. PRESENTATIONS

3.1 Groundwater Sustainability Program Update
R. Swartz noted that the Agency received a letter from the California Department of Water Resources (DWR) approving the SMGWA Annual Report submitted for Water Year 2025. He also discussed DWR's decision to move forward with a grant opportunity for Small Groundwater Sustainability Agencies totaling $3.5M that was authorized by the State Legislature. DWR has released draft guidelines for the grant, which are currently undergoing a public comment period through September 30, 2026.

4. GENERAL

4.1 Update on Groundwater Sustainability Plan Periodic Evaluation and Amendment
R. Swartz updated the Board on activities related to the Groundwater Sustainability Plan (GSP) Periodic Evaluation (PE) and Amendment. This includes updated groundwater model runs to reflect more recent Basin conditions, reviewing updated Sustainable Management Criteria

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(SMC) for change in groundwater in storage, and projects and management actions. R. Swartz also discussed updates to Interconnected Surface Water approaches and his coordination with the City of Santa Cruz, National Marine Fisheries Service, and California Department of Fish and Wildlife on the approach.

R. Swartz gave an update on the proposed schedule. The Agency is targeting release of the drafts of the GSP PE and Amendment by mid-September. This will allow for comments prior to the next SMGWA Board meeting. Depending on the comments received, the Board would have the option of either adopting the GSP PE and Amendment or holding a future special Board meeting, prior to January 3, 2027.

No public comment.

MOTION: E. Cassidy/D. Pollock moved to receive recommendations and provide direction to carry on with the Groundwater Sustainability Plan Periodic Evaluation and Amendment.
AYES: E. Cassidy, F. Cheap, D. Engfer, B. Largay, W. Leishman, C. Perri, D. Pollock, B. Russ, G. Wimp, R. Spencer-Hill
NOES: None.
ABSTAIN: None.

4.2 Well Monitoring Access and Cost Reimbursement Agreement with San Lorenzo Valley Water District

T. Carson presented the Well Monitoring Access and Cost Reimbursement Agreement that the Agency proposes with the San Lorenzo Valley Water District (SLVWD). This Agreement will convert two inactive SLVWD production wells into monitoring wells. These two wells are located in areas within the Basin that the Agency has an interest in monitoring. They will help to inform the Annual Reporting and provide a clearer picture of Basin conditions.

The estimated cost to convert and equip the two wells with monitoring equipment is up to $16,000, which is significantly less than the cost of constructing two new monitoring wells. SLVWD would maintain sole ownership and control of the wells, SLVWD will monitor the wells and provide data to the Agency. The Agency will pay for all costs associated with converting the inactive production wells to monitoring wells.

No public comment.

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MOTION: E. Cassidy/R. Spencer-Hill moved to approve the Well Monitoring Access and Cost Reimbursement Agreement and allow Agency staff to make non-substantive updates to the Agreement.
AYES: E. Cassidy, F. Cheap, D. Engfer, B. Largay, W. Leishman, C. Perri, D. Pollock, B. Russ, G. Wimp, R. Spencer-Hill
NOES: None.
ABSTAIN: None.

4.3 Appointment of Well Owner Representative Alternate

Raymond Martin applied to fill the vacancy as the Well Owner Representative Alternate on the Agency Board of Directors. Chair Perri introduced R. Martin to the Board and asked if there was a motion to ratify the appointment.

No public comment.

MOTION: F. Cheap/D. Pollock moved to ratify the appointment of Raymond Martin as the Well Owner Representative Alternate on the Santa Margarita Groundwater Agency Board of Directors for a three (3) year term effective immediately.
AYES: E. Cassidy, F. Cheap, D. Engfer, B. Largay, W. Leishman, C. Perri, D. Pollock, B. Russ, G. Wimp, R. Spencer-Hill
NOES: None.
ABSTAIN: None.

4.4 Biennial Review – Amended Conflict of Interest Code

T. Rein reviewed the updates to the amended and restated Conflict of Interest Code. Per California's Fair Political Practices Commission (FPPC) regulations, members of the Board of Directors for Groundwater Sustainability Agencies (GSAs) and one designated GSA Executive are considered Statutory Filers and must file a Form 700 with the State. There is no legal requirement for the County to maintain records of Form 700s, but County representatives have indicated a desire for all who have previously filed with the County to continue to do so.

Positions outlined in the new Conflict of Interest Code that are not designated as Statutory Filers, but who are required to file a Form 700 with the County are: General Counsel, members of the Executive Team (Water Resources Programs Manager – Santa Cruz County, General Manager – San Lorenzo Valley Water District, General Manager – Scotts Valley Water District), Treasurer, and any new positions or consultants who are designated by the GSA Executive as serving in a decision-making capacity for the Agency.

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The Agency's amended and restated Conflict of Interest Code is consistent with state regulations and local filing practices.

T. Rein answered questions posed by Directors.

MOTION: E. Cassidy/R. Spencer-Hill moved to approve the proposed amended 2026 Conflict of Interest Code of the Santa Margarita Groundwater Agency and authorize staff to submit the amended Conflict of Interest Code to the Santa Cruz County Board of Supervisors.

AYES: E. Cassidy, F. Cheap, D. Engfer, B. Largay, W. Leishman, C. Perri, D. Pollock, B. Russ, G. Wimp, R. Spencer-Hill

NOES: None.

ABSTAIN: None.

5. STAFF REPORTS

5.1 Financial Report for the Period July 1, 2025, through June 30, 2026

T. Carson and J. Dillon answered Directors' questions on the financial statements.

5.2 Santa Margarita Basin GSP Implementation Activities Status Report

No questions or comments on this item.

6. DIRECTORS REPORTS

None.

7. FUTURE ITEMS

None.

8. INFORMATIONAL ITEMS

None.

9. EVENTS CALENDAR

The ACWA Fall Conference will be taking place December 1 – December 3 in Anaheim, California, and there are funds available should Directors desire to attend.

ADJOURN

Meeting adjourned at 7:13 p.m.

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APPROVED BY:

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Chris Perri, Chair

10/26/2026
Date

ATTEST:

DocuSigned by:
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Edan Cassidy, Secretary

10/27/2026
Date