



Santa Margarita Groundwater Agency

Board of Directors Meeting

Date: 8/28/2025

Time: 6:00 p.m.

Location: Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, CA

Minutes

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
- Bryan Largay (Vice Chair) – San Lorenzo Valley Water District
- Edan Cassidy (Secretary) – Well Owner Representative
- Doug Engfer – City of Santa Cruz (remote via Zoom)
- Cara Hutchison – Well Owner Representative
- Alina Layng – San Lorenzo Vally Water District
- Wade Leishman – Scotts Valley Water District
- Rae Spencer-Hill – County of Santa Cruz*

Directors Absent:

- Allan Timms – City of Scotts Valley
- Dale Pollock – Mount Hermon Association
- Manu Koenig – County of Santa Cruz
- Monica Martinez – County of Santa Cruz

Non-Voting Alternate Directors: (Present as Non-Voting Observer)

- Frank Cheap – Well Owner Alternate Representative
- Bill Ekwall – Scotts Valley Water District Alternate Representative

SMGWA Member Agency Executive Staff:

- Jason Lillion – General Manager, San Lorenzo Valley Water District
- David McNair – General Manager, Scotts Valley Water District

Other:

- Teresa Rein – SMGWA legal counsel; Rein & Rein
- Tim Carson, Rob Swartz, Sophia Sholtz – Regional Water Management Foundation (RWMF)
- Heidi Luckenbach – Water Director, City of Santa Cruz (online via Zoom)
- John Dillon – Finance and Customer Service Manager, Scotts Valley Water District

1.2 Additions/Deletions to the Agenda

None.

1.3 Oral Communications on Matters Not on the Agenda

Director E. Cassidy welcomed former Well Owner Representative director Nick Vrolyck to the meeting and Chair Perri welcomed Jason Lillion as the new General Manager at San Lorenzo Valley Water District.

2. CONSENT

2.1 Approval of Minutes from 5/22/2025 Meeting

MOTION: E. Cassidy/B. Largay moved to approve the Minutes.
AYES: E. Cassidy, D. Engfer, C. Hutchison, A. Layng, W. Leishman, B. Largay, C. Perri.
NOES: None.
ABSTAIN: R. Spencer-Hill.

3. PRESENTATIONS

3.1 Groundwater Sustainability Program Update

R. Swartz provided updates on the Small Groundwater Sustainability Agency (GSA) Coalition and water use in the Basin.

The Small GSA Coalition (Coalition) is developing a Memorandum of Understanding (MOU) among participating agencies to help fund both a part-time administrative staff and legislative advocate for the Coalition. Generally, the Coalition has been limited to groundwater basins that use less than 10,000 acre-feet of water per year (AFY) but could be expanded to include Basins of up to 20,000 AFY to accommodate a handful of interested basins in northern California. Currently there are 12 basins considering participation. Staff will return at the October Board meeting with an update on progress and, if the participating agencies can reach consensus, an MOU for Board consideration.

R. Swartz then reviewed groundwater use in Water Year 2024. Public water utilities, Mount Hermon Association, and metered small water systems account for just under 2,000 AFY, or approximately 86% of water use in the Basin. Private domestic wells are estimated to use 234 AFY, based on the estimated number of wells and the average use per household as determined by the reported use of small water systems the Basin.

Previous Water Year Annual Reports estimated water usage from non-domestic private users at 122 AFY, based on a 1998 report prepared for the Scotts Valley Water District. The only known non-domestic private users in the Basin are three mobile home parks – Spring Lakes, Vista del Lago, and Monteville. Following outreach to these mobile home parks, R. Swartz concluded that all three mobile home parks use significantly less water than originally reported in 1998. These estimates will be revised in the 2025 Annual Report.

Quail Hollow Quarry's use of 32 AFY was updated reflecting a small increase in estimated usage.

3.2 Groundwater Sustainability Plan Periodic Evaluation

P. Dennehy and R. Swartz presented on the Periodic Evaluation process, the potential for a Groundwater Sustainability Plan (GSP) amendment, and the preliminary schedule. The Periodic Evaluation is the GSA’s opportunity to address recommended corrective actions from the Department of Water Resources (DWR), discuss new information collected, report on the status of projects and management actions, review the groundwater conditions relative to sustainable management criteria, review the monitoring network, and provide any updates on the GSP, management, or outreach.

P. Dennehy discussed what would warrant an amendment to the GSP at the same time as the Periodic Evaluation. This would include changes to the Sustainable Management Criteria (SMC), significant changes to the monitoring network, changes to planned projects and management actions, or modifications to the administrative management of the basin, including changes to the GSA.

DWR provided four specific Recommended Corrective Actions (RCAs): evaluate beneficial use and users of the Monterey Formation and consider how changes in groundwater levels in the Monterey Formation may affect domestic well users and Groundwater Dependent Ecosystems (GDEs); revise undesirable results definition to remove the drought year condition for chronic lowering of groundwater levels; revise SMC for degraded groundwater quality; and evaluate interconnected surface water SMC. The RCAs received from DWR regarding the evaluation of interconnected surface water was a general comment that was provided to many other GSAs.

Board had questions for both P. Dennehy and R. Swartz.

4. GENERAL

4.1 Establish a Water Year 2025 Annual Report Ad Hoc Committee

R. Swartz discussed the need for an Ad Hoc committee to help guide the streamlining of the Annual Report in concert with evaluating streamlining opportunities working directly with DWR staff. Committee members appointed: D. Engfer, B. Largay, C. Perri, E. Cassidy, F. Cheap.

MOTION: B. Largay/W. Leishman move to establish an Ad Hoc committee on the Groundwater Sustainability Plan Annual Report and appoint Board members to serve on the committee.

AYES: E. Cassidy, D. Engfer, C. Hutchison, B. Largay, A. Layng, W. Leishman, C. Perri, R. Spencer-Hill.

NOES: None.

ABSTAIN: None.

4.2 Establish Policy to Review Applicable County of Santa Cruz Well Permit Applications

R. Swartz discussed the County of Santa Cruz (County) Well Permit Application. The County in its recent Well Ordinance update, recognized the importance of GSAs in the sustainability of the Basin; the Well Ordinance now allows for 10 days for GSAs to provide comments on any new well permit application submissions within their management areas. The GSAs can provide comment, request additional information, or identify any other requirements that must be met,

for the construction and use of a new well. The County anticipates that most well permit applications will be for Domestic wells and will require a low level of review.

The policy authorizes the Member Agency executive staff to appoint a reviewer to complete the timely review of well permit applications within 10 business days of receipt. If the well permit is straightforward and there are no concerns, the reviewer will respond as such, and if there are concerns, the reviewer will notify the executive staff of the potential concerns and solicit feedback on how to proceed with the County.

The Board asked for clarification on whether the 10 business days are in consecutive to or concurrent with, the County’s allotted 20-day review period. R. Swartz and T. Rein confirmed that the 10 business days allotted for GSA review are concurrent with the County’s review period. Because of the concurrent review period, there would not be a situation where the GSA’s inability to provide comment would delay the approval of a well construction permit.

Upon further questions from the Board, R. Swartz confirmed that the GSA’s involvement in the approval or denial of well permits is limited to commenting and that the GSA does not have authority to deny a well permit application the County had otherwise deemed appropriate.

MOTION: W. Leishman, R. Spencer-Hill move to approve and adopt Well Construction Permit Application Review Policy.

AYES: E. Cassidy, D. Engfer, C. Hutchison, B. Largay, A. Layng, W. Leishman, C. Perri, R. Spencer-Hill.

NOES: None.

ABSTAIN: None.

5. STAFF REPORTS

5.1 Financial Report for the Period July 1, 2024, through June 30, 2025

No questions or comments on this item.

5.2 Santa Margarita Basin GSP Implementation Activities Status Report

No questions or comments on this item.

6. DIRECTORS REPORTS

Director C. Perri reported on the Association of California Water Agencies (ACWA) groundwater subcommittee on Water Banking.

7. FUTURE ITEMS

None.

8. STAFF REPORTS

None.

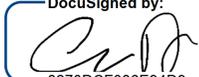
9. EVENTS CALENDAR

None.

ADJOURN

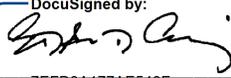
Meeting adjourned at 7:25 p.m.

APPROVED BY:

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Chris Perri, Chair

10/24/2025
Date

ATTEST:

DocuSigned by:

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Edan Cassidy, Secretary

10/24/2025
Date