



Santa Margarita Groundwater Agency

Board of Directors Meeting

Date: 10/23/2025

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

Manu Koenig – County of Santa Cruz (remote via Zoom)

Alina Layng – San Lorenzo Vally Water District

Wade Leishman – Scotts Valley Water District

Monica Martinez – County of Santa Cruz (late arrival at 6:27 p.m.)

Dale Pollock – Mount Hermon Association (remote via Zoom)

Greg Wimp – City of Scotts Valley

Frank Cheap – Well Owner Representative

Directors Absent:

None.

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

None.

SMGWA Member Agency Executive Staff:

Jason Lillion – General Manager, San Lorenzo Valley Water District

David McNair – General Manager, Scotts Valley Water District

Sierra Ryan – Water Program Director, County of Santa Cruz

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

John Dillon – Finance and Customer Service Manager, Scotts Valley Water District

Taylor Kihoi – Senior Professional Engineer, City of Santa Cruz (online via Zoom)

Pete Dennehy – Project Manager, Montgomery & Associates (online via Zoom)

1.2 Additions/Deletions to the Agenda

None.

1.3 Oral Communications on Matters Not on the Agenda

Chair Perri welcomed Director Wimp as the new representative of the City of Scotts Valley.

2. CONSENT

2.1 Approval of Minutes from 8/28/2025 Meeting

2.2 Approval of Board Schedule 2026

MOTION: E. Cassidy/D. Engfer moved to approve the Consent Agenda.

AYES: E. Cassidy, F. Cheap, D. Engfer, M. Koenig, B. Largay, A. Layng, C. Perri, D. Pollock, W. Leishman, G. Wimp.

NOES: None.

ABSTAIN: None.

3. PRESENTATIONS

3.1 Groundwater Sustainability Program Update

R. Swartz provided updates on Water Year 2025 (WY25) which covers the period October 1, 2024 to September 30, 2025. The total precipitation at Boulder Creek was 32.4 inches, compared to a long-term average of 50.3 inches. The total precipitation at Scotts Valley was 24.84 inches, compared to the long-term average of 41.27 inches.

Cumulative flow on the San Lorenzo River was below average for WY25. Measured flow in the San Lorenzo River was 57,868 acre-feet, compared to the 30-year average of 99,400 acre-feet.

R. Swartz also reported on the late dry season flow measurements from September 2025. He commented that all five of the stations monitored for dry season flow measurements report similar trends and suggested it may be possible to remove some of the monitoring locations during the Periodic Evaluation of the Groundwater Sustainability Plan (GSP).

In the shallow Santa Margarita formation, three of the four monitoring wells had groundwater levels in fall 2025 that are above the Measurable Objective (MO), and one well (Quail Hollow MW-A) had groundwater levels above the Minimum Threshold (MT) but below the MO.

In the deeper Butano, Lompico, and Monterey formations, two of the four monitoring wells had groundwater levels above the MO, and two of the monitoring wells had groundwater levels above the MT but below the MO.

3.2 Scotts Valley Water District & City of Santa Cruz Water Systems Intertie Project

H. Luckenbach, T. Kihoi, and D. McNair presented on the Scotts Valley Water District (SVWD) and City of Santa Cruz Water Systems Intertie Project. H. Luckenbach described the history of the project, which had its roots in the late 1990s but was put on hold due to limited funding. While not originally identified in the GSP for the Santa Margarita Groundwater Agency

(SMGWA), it presents an opportunity to be further developed into a Group 2, Tier 2 project, which means it could be used to aid in future Basin sustainability.

T. Kihoi presented on the engineering and construction aspects of the project. This project was awarded \$9.5M from a DWR grant, approximately \$6.6M for the Intertie and approximately \$2.8M for the SVWD Grace Way production well. The intertie pipeline trenching operations and installation occurred during the spring and summer of 2026. Roadway restoration occurred in fall. Currently, on trenching Firehouse Lane is nearing completion. Pump station construction will occur from fall to February. Some of the construction challenges faced were due to limited space, rock, and unstable soil. T. Kihoi reviewed the remaining work schedule, including paving and site restoration, pump station construction, system tie-ins, and testing, which should all conclude by spring 2026.

D. McNair presented on the Grace Way production well and the related improvements that SVWD is constructing with the grant funds. The new well is 970 feet deep and will improve operational flexibility and redundancy for groundwater production. The project includes: acquiring the property, demolition of existing structures, environment (CEQA) compliance, design, well construction, and related site improvements. The well is expected to pump about 500 gallons per minute. Contractors are currently working on connecting the well to the existing system and adding control units. The well is expected to be online by the end of February 2026.

4. GENERAL

4.1 Board Vacancy – Well Owner Alternate Director Vacancy

Well Owner Representative Director Hutchison resigned in September 2025. Per the Agency Bylaws, if the current Well Owner Alternate is willing and able to serve as Director, the Board will vote to approve that appointment. Alternate Director Cheap confirmed that he is willing to serve as the Well Owner Representative Director.

The Board was informed that if/when it approves the appointment of the Alternate to become a Well Owner Representative, that leaves the Alternate Director position vacant, and thus a solicitation for a new Alternate will need to be conducted. Per the Agency Bylaws, as a part of this solicitation, a three-member ad hoc committee must be formed to conduct the solicitation.

MOTION: E. Cassidy/A. Layng move the appointment of Well Owner Alternate Director Cheap to assume the role of Director to fill the vacancy created by the resignation of Director Hutchison.

AYES: E. Cassidy, F. Cheap, D. Engfer, M. Koenig, B. Largay, A. Layng, M. Martinez, C. Perri, D. Pollock, W. Leishman, G. Wimp.

NOES: None.

ABSTAIN: None.

After deliberation, the Board elected the following ad hoc committee for the Well Owner Representative Alternate Director solicitation: E. Cassidy, F. Cheap, C. Perri.

MOTION: D. Engfer/W. Leishman move to form an ad hoc committee and appoint Directors Cassidy, Cheap, and Chair Perri to conduct a solicitation and selection process to fill the Well Owner Alternate Director vacancy.

AYES: E. Cassidy, F. Cheap, D. Engfer, M. Koenig, B. Largay, A. Layng, M. Martinez, C. Perri, D. Pollock, W. Leishman, G. Wimp.

NOES: None.

ABSTAIN: None.

Public comment was accepted out of order on this item, after public comment for item 4.2. Erica Stanojevic made public comments.

4.2 Update on Groundwater Sustainability Plan Periodic Evaluation

R. Swartz presented on two of the four Recommended Corrective Actions (RCAs) that the Agency received from the California Department of Water Resources (DWR) in advance of preparing the GSP Periodic Evaluation (PE).

The first RCA reviewed involved the Agency's current definition of an undesirable result for groundwater levels at Representative Monitoring Points (RMPs). The current GSP's definition of undesirable results is if any one RMP falls below the minimum threshold for two consecutive non-drought years. DWR has indicated that in this PE, the Agency should remove the drought-year caveat.

R. Swartz asked the Board to consider whether it would be appropriate to make an additional change by increasing the number of RMPs that would have to fall below their MTs before an undesirable result would be triggered for groundwater levels. There are many reasons why a single RMP might fall below its MT while Basin sustainability remains unaffected. Additionally, it is common practice throughout the state to use multiple MT exceedances in defining undesirable results.

The second RCA reviewed pertained to degraded water quality. The current GSP language identifies an undesirable outcome for degraded water quality as one stemming from Sustainable Groundwater Management Act (SGMA)-related projects and management actions. DWR indicated that degraded water quality issues must be addressed regardless of whether the cause for the degraded conditions is due to an action of groundwater sustainability agency. DWR recommended removing language in the GSP that identified undesirable results as solely those caused from human action.

Another aspect of this RCA that R. Swartz recommends reviewing is the list of potential contaminants that the Agency has chosen to monitor and report on to DWR. Many of the contaminants chosen to report on consistently return values of "Non-Detect", meaning they are not a constituent of concern when looking at the sustainability of the Basin. Other noted constituents that consistently exceed the MT include iron and manganese. However, the established standard for these is not related to health effects, so R. Swartz intends to meet with DWR to inquire if these could be eliminated as constituents of concern in the Basin. R. Swartz suggested that the Board consider alternative degradation of water quality metrics that are more closely aligned with issues specific to this Basin, such as Total Dissolved Solids (TDS).

The proposed schedule/timeline for the GSP PE and potential GSP amendment was presented. At its next meeting (February 26, 2026), the Board will receive an update on progress on the PE and additional information and recommendations to consider on the PE and potential GSP amendment. The proposed schedule has the draft PE and GSP amendment to the Board in August and the final PE and amendment for Board consideration at the October Board meeting. The PE and GSP amendment are due to DWR by January 3, 2027.

The Board had questions and comments for R. Swartz and discussed the presentation.

4.3 Small Groundwater Sustainability Agency Memorandum of Understanding for a Cost Sharing Agreement

R. Swartz described a cost share agreement with the Small GSA Coalition (Coalition) and efforts to date to finalize the agreement. The Agency has been working successfully with the Coalition for a couple of years to identify potential opportunities to streamline the SGMA compliance obligations for small GSAs to reduce the cost burden which disproportionately impacts small GSAs. Due to the large number of GSAs participating and the multiple levels of legal review required, there have been several rounds of edits. R. Swartz clarified that the costs incurred by this agreement would be used to fund administrative assistance and advocacy. The Board will have an opportunity to review annually and assess future ongoing participation.

Board members had questions and made comments on this item.

- MOTION:** D. Engfer/M. Martinez move to authorize the Scotts Valley General Manager to enter into a Small Groundwater Sustainability Agency Memorandum of Understanding for a Cost Sharing Agreement.
- AYES:** E. Cassidy, F. Cheap, D. Engfer, M. Koenig, B. Largay, A. Layng, M. Martinez, C. Perri, D. Pollock, W. Leishman, G. Wimp.
- NOES:** None.
- ABSTAIN:** None.

5. STAFF REPORTS

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

None.

7. FUTURE ITEMS

None.

8. EVENTS CALENDAR

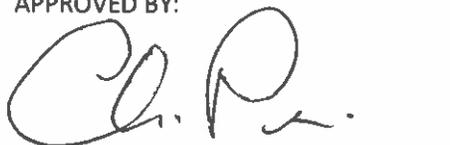
24th Annual Environmental Town Hall, November 8, 2025, 1 - 3 p.m., Felton Community Hall.

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ADJOURN

Meeting adjourned at 7:31 p.m.

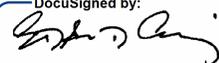
APPROVED BY:



Chris Perri, Chair

3/30/26
Date

ATTEST:

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Edan Cassidy, Secretary

3/31/2026
Date