

Board of Directors

Regular Meeting

4/9/26 at 6:00 p.m.

Santa Margarita Community Room
2 Civic Center Drive, Scotts Valley, California

Minutes

1. Convene

1.1. Call to Order and Roll Call

President Stiles called the meeting to order at 6:00 p.m. in the Santa Margarita Community Room. The meeting was conducted in a hybrid setting. Director Perri indicated he would be teleconferencing from 1018 N Corbin Ln, Spokane Valley, WA.

Directors

Danny Reber

Wade Leishman

Ruth Stiles

Chris Perri

Junior Board

Dominic Osorio

Demitri Vavaroutsos

Staff

Terry Rein, Legal Counsel

Nate Gillespie, Operations Manager

John Dillon, Finance & Customer Service Manager

David McNair, General Manager

Rahni Jensen, Executive Assistant/Board Clerk

Absent

Bill Ekwall

1.2. Pledge of Allegiance and Invocation

Director Reber led the pledge, and Director Leishman led the reflection.

1.3. Closed Session Report

None.

1.4. Additions/Deletions to the Agenda

None.

1.5. Oral Communications

None.

2. Presentation (None)

3. Administrative

Items are informational in nature and do not include an agenda report.

3.1. Committee and Other Agency Meeting Reports

Engineering & Water Resource Committee 3/23/26

Nothing to add to the written report.

Finance & Personnel Committee 3/25/26

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Nothing to add to the written report.

Executive & Public Affairs Committee (None)

Santa Margarita Groundwater Agency Board (None)

4. Consent

Items are routine in nature, may include agenda reports and be approved by one motion.

4.1. Approval of Minutes – Regular Board Meeting 3/12/26

Approved the minutes of the 3/12/26 Regular Board Meeting

MOTION Leishman/Perri, carried to approve consent agenda by unanimous roll call vote, Ekwall absent.

5. Public Hearings (None)

Items include an agenda report with recommendation, an oral staff report or presentation.

6. Business

Items are complex in nature, considered individually, and each item includes an agenda report with recommendation and an oral staff report or presentation.

6.1. Bethany Tank Design and Engineering Services Award Contract

General Manager McNair presented the contract for Bethany Tank design and engineering services. The Board discussed.

MOTION Reber/Leishman carried to Award contract and authorize the General Manager to execute an agreement with Mesiti-Miller Engineering, Inc in the amount of \$508,401.00 for the design and engineering for the replacement of Bethany Tank by unanimous roll call vote, Ekwall absent.

6.2. Proposed FY27 Projects Budget

Operations Manager Gillespie presented the Proposed FY27 Project Budget. The Board received information.

6.3. FY27 Budget Assumptions

Finance & Customer Service Manager Dillon presented the FY27 Budget Assumptions. The Board received information.

6.4. Investment Policy

Dillon presented the updated Investment Policy. The Board discussed.

MOTION Perri/Leishman carried to adopt Resolution 01-26 updating Policy P200-14-1 and

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rescinding Resolution 01-20 by unanimous roll call vote, Ekwall absent.

- 6.5. Intertie 1 Water Transfer and Purchase Agreement Between the Scotts Valley Water District and City of Santa Cruz
McNair presented the water transfer and purchase agreement between the Scotts Valley Water District and the City of Santa Cruz for Intertie-1. The Board discussed.

MOTION Reber/Leishman carried to authorize the General Manager to execute the Water Transfer and Purchase Agreement Between the Scotts Valley Water District (District) and City of Santa Cruz (City) for the operation of the Intertie 1 Project by unanimous roll call vote, Ekwall absent.

7. Staff Reports

7.1. Legal

Legal Council Rein discussed updated ADA requirements regarding web content accessibility, and a proposed senate bill.

7.2. Administrative

McNair provided an update regarding relations with the City of Scotts Valley, and potential upgrades to the waste water treatment plant.

7.3. Finance

Financial Report 7/1/25 – 2/28/26

Dillon discussed the status of the grant funding for Grace Way Well and the LID project.

7.4. Operations

Operations Report

Production, Demand & Rainfall

Gillespie provided updates regarding a main street repair on Lucinda, the sink hole repairs, Burlwood and Granite Creek Road valve replacement, Well 9 building site and rainfall updates.

8. Directors Reports

Director Perri discussed the ACWA Groundwater Subcommittee, and SMGWA updates.

9. Written Correspondence

10. Community Relations

March Newsletter

11. Closed Session (None)

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12. Report on Closed Session and Additional Items (None)

13. Future Items

AB 2561 Public Hearing

14. Meetings and Event Calendar

Board Meetings

5/14/26

6/11/26

7/9/26

Committee Meetings

4/22/26 Finance & Personal

4/27/26 Engineering & Water Resource

4/22/26 Executive & Public Affairs

Santa Margarita Groundwater Agency

Board Meeting 5/28/26

15. Events (None)

16. Adjourn

The meeting adjourned at 7:46 p.m

Approved:

Attest:

DocuSigned by:

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Ruth Stiles, Board President

DocuSigned by:

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David McNair, Board Secretary