

Board of Directors

Regular Meeting

5/14/26 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 6:03 p.m. in the Santa Margarita Community Room. The meeting was conducted in a hybrid setting.

Directors

Danny Reber

Ruth Stiles

Chris Perri

Junior Board

Dominic Osorio

Absent

Bill Ekwall

Wade Leishman

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

Guests

Justin Shobe

Pete Denehey

1.2. Pledge of Allegiance and Invocation

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

1.3. Closed Session Report

None.

1.4. Additions/Deletions to the Agenda

None.

1.5. Oral Communications

Public hearing item 5.1 will be presented at 6:05 p.m., and public hearing item 5.2 will be presented at 6:20 p.m. as publicly posted.

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 4/27/26

Nothing to add to the written report.

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Finance & Personnel Committee 4/22/26

Nothing to add to the written report.

Executive & Public Affairs Committee 4/22/26

Nothing to add to the written report.

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 4/9/26

Approved the minutes of the 4/9/26 Regular Board Meeting.

4.2. Approval of Special Minutes – Special Board Meeting 4/15/26

Approved the minutes of the 4/15/26 Special Board Meeting.

4.3. Think Twice and Rebate Program

Approved the Think Twice and Rebate Programs effective 07/01/2026.

4.4. Surplus Vehicle

Declared the following equipment as surplus and authorize the advertisement for vehicle and equipment for public sale: 2011 Ford F350 Super Duty (VIN 1FDRF3ET6BEA16277), 2013 Dodge Journey (VIN 3C4PDCBG6DT626787).

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

5. Public Hearings

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

5.1. AB 2561 Public Hearing – Vacancy Reporting

The public hearing began at 6:05 p.m., Executive Assistant/Board Clerk Jensen presented the Vacancy Report. There was no public comment, the Board received information.

After item 5.1 was presented, item 6.2 was presented, followed by item 7.1.

5.2. Draft 2025 Water Shortage Contingency Plan

The public hearing began at 6:20 p.m. General Manager McNair introduced the item and Justin Shobe with Shobe engineering provided a presentation. There was no public comment.

MOTION Perri/Reber carried to adopt Resolution No 01-26 approving the 2025 Water

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Shortage Contingency Plan to be filed with the California Department of Water Resources by 06/31/26 by unanimous roll call vote, Ekwall and Leishman absent.

After item 5.2 was presented, item 6.4 was presented, followed by item 6.1 then 6.3 where the meeting resumed normal order with item 7.2.

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. Proposed FY27 Budget Review

McNair introduced and Finance & Customer Service Manager Dillon presented the FY27 Budget Review. The Board received information.

6.2. Debt Management Policy

McNair introduced the Debt Management Policy with no changes.

MOTION Reber/Perri carried to adopt Resolution No. 02-26 updating the Debt Management Policy and rescinding Resolution No. 04-21 by unanimous roll call vote, Ekwall and Leishman absent.

6.3. Strategic Work Plan

General Manager McNair presented the updated Management Objectives and FY27 Work Plan

MOTION Reber/Perri carried to approve the updated Management Objectives and accept the FY27 Work Plan by unanimous voice vote, Ekwall and Leishman absent.

6.4. Water Supply Outlook and Demand Strategy

McNair introduced the item and Pete Denehey provided a presentation of current water supply outlook. The Board discussed.

MOTION Perri/Reber carried to continue Stage 1 Water Supply Conditions by unanimous voice vote, Ekwall and Leishman absent.

7. Staff Reports

7.1. Legal

Legal Council Rein provided information about updates to landowner laws regarding special districts.

7.2. Administrative

McNair provided an update regarding recent ACWA conference attendance, and Citizens

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Academy.

7.3. Finance

Quarterly Financial Report

Dillon noted that final grant distribution had been received for the Intertie-1 project.

7.4. Operations

Operations Report

Production, Demand & Rainfall

Gillespie provided updates regarding the new Monte Fiore control panel upgrade, a sink hole update, Well 9 has been moved from inactive status to a monitoring well, retaining wall replacement on Granite Creek Road around the booster station, the 2025 Consumer Confidence Report was published, a VFD installation on a Orchard Run Well booster, and a new permit amendment from Division of Drinking Water to remove two chemicals from treatment at El Pueblo treatment plant.

8. Directors Reports

Director Perri and Stiles attended the ACWA conference, Director Stiles highlighted Boards Best Practices changes ahead

9. Written Correspondence (None)

10. Community Relations

Newsletter

11. Closed Session (None)

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

13. Future Items

Multijurisdictional Hazard Mitigation Plan

11/3/26 Election

14. Meetings and Event Calendar

Board Meetings

6/11/26

7/9/26

8/13/26

Committee Meetings

5/27/26 Finance & Personal

5/27/26 Engineering & Water Resource

7/26/26 Executive & Public Affairs

Santa Margarita Groundwater Agency

Board Meeting 5/28/26

15. Events (None)

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16. Adjourn

The meeting adjourned at 7:48 p.m

Approved:

Attest:

DocuSigned by:

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Ruth Stiles, Board President

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David McNair, Board Secretary