Board of Directors

Regular Meeting
6/11/26 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.

Directors	Staff
Danny Reber	Terry Rein, Legal Counsel
Ruth Stiles	Nate Gillespie, Operations Manager
Chris Perri	John Dillon, Finance & Customer Service Manager
Bill Ekwall	David McNair, General Manager
Wade Leishman	Rahni Jensen, Executive Assistant/Board Clerk
Junior Board	Chris Breeden, Assistant Administrative Analyst
Dominic Osorio	Guests
Demitri Vavaroutsos	Justin Shobe
	Charles Diamond

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
Item 6.6. Notice of Exceedance PFOS and PFOA (Well 11B) - Receive Information and Direct Staff to Distribute Statutory Notice and to Amend Notice upon Receipt of Additional Testing Information was added to the agenda

MOTION Perri/Reber carried to add item 6.6 to the agenda finding that 1.) immediate action is required by the Board, and 2.) the need to take action came to the attention of the District after the posting of the agenda by unanimous roll call vote.

AYES: Ekwall, Leishman, Perri, Reber, Stiles
NOES: 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 5/27/26
Nothing to add to the written report.

Finance & Personnel Committee 5/27/26
Nothing to add to the written report.

Executive & Public Affairs Committee (None)

Santa Margarita Groundwater Agency Board 5/28/26
Directo Perri provided a summary.

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 5/14/26
Approved the minutes of the 5/14/26 Regular Board Meeting

MOTION Leishman/Reber, carried to approve the minutes of the 5/14/26 Regular Board Meeting by unanimous voice vote.

5. Public Hearings (None)

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

5.1. Urban Water Management Plan
The public hearing was opened at 6:31 p.m. General Manager McNair introduced the item. Justin Shobe with Shobe Engineering presented the Urban Water Management Plan. The Board discussed. No public comment.

MOTION: Perri/Reber, carried to adopt Resolution No. 03-26 approving the 2025 Urban Water Management Plan and authorizing it to be filed with the California Department of Water Resources by 06/31/26 by unanimous roll call vote.

AYES: Ekwall, Leishman, Perri, Reber, Stiles

NOES: None

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. Rate Study and Proposed Rate Increases
McNair introduced the item, Charles Diamond with Water Economics presented the proposed rate increases and rate study. The Board received information and discussed.

MOTION Reber/Perri carried to authorize the General Manager to issue the notice initiating the 60-day public review period and set the public hearing on recommended water rates for 09/10/26 by voice vote 3/1/1 (Aye/No/Abstain).

6.2. Operating and Projects Budget FY2027
McNair introduced the item, Finance and Customer Service Manager Dillon presented the operating and projects budget for the fiscal year 2027. The Board received information.

MOTION Perri/Leishman carried to Approve the Budget for Fiscal Year 2027 (FY27), including the FY 2027 Work Plan by unanimous voice vote.

6.3. 11/3/26 General Election
McNair introduced the item, Executive Assistant/Board Cler Jensen provided information. The Board discussed and decided to limit statements of qualifications to 200 words, that a tie vote would be settled by lot, and that the District would cover candidate submission costs.

MOTION Perri/Ekwall carried to Adopt Resolution No. 04-26 ordering an Election, requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election; authorize the filing of Notice to County Clerk of Elective Offices to be Filled and Transmittal of map and Boundaries by unanimous roll call vote.

6.4. Conflict of Interest Code Local Agency Biennial Notice 2026
Jensen introduced the item and provided information. The Board received information. MOTION Leishman/Perri carried to 1) Adopt Resolution No. 05-26 amending the Scotts Valley Water District Conflict of Interest Code and rescinding Resolution No. 04-24; and 2) Authorize the General Manager to file the 2026 Local Agency Biennial Notice with the County of Santa Cruz Board of Supervisors by unanimous roll call vote.

6.5. Multijurisdictional Hazard Mitigation Plan
McNair introduced the item, Operations Manager Gillespie provided information. The Board discussed.

MOTION Leishman/Peri carried to Adopt Resolution No. 06-26 approving the Santa Cruz County Multi-Jurisdictional Hazard Mitigation Plan (SCCMJHMP) 2025 Update, including Volume 1 and the Volume 2 Scotts Valley Water District Annex by unanimous roll call vote.

6.6. Notice of Exceedance PFOS and PFOA (Well 11B)
Presented during item 1.4 Additions/Deletions to the Agenda. McNair introduced the item. Gillespie noted that the District received test results on June 8, 2026 from Well 11B

that showed amounts of PFOS and PFOA that exceeded the notice level. Well 11B is active, but not in use. Water from Well 11B has not been in distribution since April 2nd, 2026, at which time had no detectable amount of PFOS and PFOA. The City of Scotts Valley and the County of Santa Cruz will receive notice before July 8th, 2026.

MOTION Leishman/Ekwall carried to approve the form of the notice, direct staff to formally accept the information, distribute this statutory notice to the Scotts Valley City Council and the Santa Cruz County Board of Supervisors within the required thirty-day timeline, and grant administrative authority to staff to amend the text of the notice if additional testing information or updated water quality data is received prior to or during the distribution process.

AYES: Ekwall, Leishman, Perri, Reber, Stiles
NOES: None

7. Staff Reports

7.1. Legal
None.

7.2. Administrative
McNair rain total increased with late season rainfall, got up to 82%.

Board Compliance Status & Regulation Review Tracker
Jensen reviewed the current Board compliance status and the regulation review tracker.

7.3. Finance
Financial Report 7/1/25 – 4/30/26
Nothing to add to the written report.

7.4. Operations
Operations Report
Production, Demand & Rainfall
Gillespie discussed upcoming customer lead and copper tap sampling in mid-July, new laws regarding lead and copper action levels, Glenwood tank secant wall/pin pile wall project is out to bid, and Assistant Administrative Analyst Breeden work on the monthly operation charts and graphs.

8. Directors Reports

Director Perri attended the ACWA BOD meeting.

9. Written Correspondence (None)

10. Community Relations

Newsletter

11. Closed Session

11.1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Government Code § 54956.9(d)(2): 1 case. Facts and Circumstances (pursuant to § 54956.9(e)(2)):** Sinkhole near southbound entrance to Highway 17 at Scotts Valley Drive.

Director Leishman recused himself.

12. Report on Closed Session and Additional Items

District Counsel Reins stated that the Board received information regarding anticipated litigation and a legal agreement. The Board authorized the General Manager to execute the agreement.

13. Future Items

Development Project Status Report

14. Meetings and Event Calendar

Board Meetings	Committee Meetings
8/13/26	7/22/25 Finance & Personal
9/10/26	7/27/26 Engineering & Water Resource
10/8/26	7/22/26 Executive & Public Affairs

Santa Margarita Groundwater Agency

Board Meeting 8/27/26

15. Events (None)

16. Adjourn

The meeting adjourned at 8:25 p.m

Approved:

DocuSigned by:
80A644B5E1C1401...

Ruth Stiles, Board President

Attest:

DocuSigned by:
455E6F70FDE740B...

David McNair, Board Secretary