

Agenda

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**
4. **ADMINISTRATIVE BUSINESS**
 - 4.1 [Approval of April 26, 2018, Board of Directors meeting minutes.](#)
 - 4.2 Acknowledgement of the appointment of Margaret Bruce from the San Lorenzo Valley Water District as an alternate member (replacing Eric Hammer) to the Santa Margarita Groundwater Agency Board of Directors effective May 17, 2018.
 - 4.3 Acknowledgement of the appointment of J.M. Brown from the County of Santa Cruz as an alternate member (replacing Robin Musitelli) to the Santa Margarita Groundwater Agency Board of Directors effective June 26, 2018.
5. **PRESENTATIONS**
 - 5.1 Basin Background Information Report
 - San Lorenzo Valley Water District Water Resource Portfolio (Nick Johnson, PhD, RG, CHg)
6. **GENERAL BUSINESS**

6.1 Facilitation Services Progress

Recommendation: Receive information and provide input

6.2 Fiscal Year 2019 Budget

Recommendation: Approve the Fiscal Year 2019 (FY 2019) budget.

6.3 Agreement for Independent Auditor Services

Recommendation: Approve and authorize staff to execute the agreement with Fedak & Brown LLP for Independent Auditor Services.

6.4 Drug-Free Workplace Policy

Recommendation: Adopt Resolution No. 2018-02 establishing Policy P1 Drug-Free Workplace.

7. STAFF REPORTS

Financial Report (oral - Stephanie Hill)

Basin Prioritization (oral - Sierra Ryan)

GSP Grant Status (oral - Piret Harmon)

Public Outreach Services (oral - Piret Harmon)

Technical Consultant for GSP Development – Process, Selection Committee (oral - Piret Harmon)

8. DIRECTORS REPORTS

8.1 Well Owner Representative report on May 31, 2018, Stakeholder meeting (oral)

8.2 Individual directors' reports (oral)

9. FUTURE AGENDA ITEMS

Records Retention policy

Financial Controls for Borrowing Money

Selection process for Technical Consultant Services

10. ADJOURNMENT

Date | April 26, 2018 | Location Santa Margarita Community Room

2 Civic Center Drive, Scotts Valley, CA 95066

1. Call to Order

Chair Perri called the meeting of the Santa Margarita Groundwater Agency Board of Directors to order at 7:00 p.m.

2. ROLL CALL

Board of Directors Present

County of Santa Cruz:

Director Bruce McPherson, Director John Leopold

City of Santa Cruz

Director Doug Engfer

City of Scotts Valley

Director Donna Lind

San Lorenzo Valley Water District:

Director Chuck Baughman and Director Gene Ratcliff

Scotts Valley Water District:

Director Chris Perri and Director Ruth Stiles

Mt. Hermon Association, Inc:

Director Dale Pollock

Well Owner Representative:

Director Nick Vrolyk and *Director Edan Cassidy*

**Alternate*

Staff

Terry Rein, General Counsel

Piret Harmon, General Manager, Scotts Valley Water District

Jen Michelson, San Lorenzo Valley Water District

John Ricker, Water Resources Division Director, County of Santa Cruz

Sierra Ryan, Water Resource Planner, County of Santa Cruz

Amy Poncato, Administrative Office Assistant, Scotts Valley Water District

3. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

There were no public comments.

4. ADMINISTRATIVE BUSINESS

- 4.1 Approval of February 28, 2018, Board of Directors meeting minutes
Correct 6.2 Recommendation to Form a Well Owner Representative ad-hoc committee.
Motion: Stiles/Engfer approved the minutes of the February 28, 2018, Santa Margarita Groundwater Agency Board of Directors meeting as amended. Motion passed.

5. PRESENTATION

There were no presentations.

6. GENERAL BUSINESS

6.1 Contract for Facilitation Services:

Recommendation: Approve and authorize the staff to execute the contract with California State University Sacramento, CA for Facilitation Services.

R. Menard introduced this item.

Mr. Dave Ceppos introduced himself and answered questions.

Discussion by the Board and staff.

Motion: Engfer/Baughman to approve and authorize staff to execute the contract with California State University Sacramento, CA for Facilitation Services. Motion passed.

6.2 Contract for Groundwater Model Evaluation

Recommendation: Approve and authorize the staff to execute the contract with HydroFocus, Inc., Davis, CA for Groundwater Model Evaluation.

J. Ricker introduced this item.

Discussion by the Board and staff.

Public comment made by S. Wharton and M. Bruce.

Motion: Cassidy/Ratcliffe to approve and authorize the staff to execute the contract with HydroFocus, Inc., Davis, CA for Groundwater Model Evaluation as amended.

Motion passed.

6.3 FY 2019 Budget Draft

Recommendation: Receive information and provide input on the Fiscal Year 2019 (FY 2019) budget.

J. Ricker introduced this item.

Discussion by the Board and staff.

Public comment made by S. Wharton and L. Henry.

No action taken.

6.4 Borrowing Authorization for Santa Cruz County Bank

Recommendation: Adopt Resolution 2018-01 giving the Treasurer and/or her designees the borrowing authorization for the Santa Margarita Groundwater Agency with Santa Cruz County Bank.

P. Harmon introduced this item.

Discussion by Board and staff.

Motion: Stiles/Baughman to adopt Resolution 2018-01 giving the Treasurer and/or her designees the borrowing authorization in the form of a credit card for the Santa Margarita Groundwater Agency with Santa Cruz County Bank as amended. Motion passed.

7. STAFF REPORTS

7.1 Summary report: ACWA 2018 Legislative Symposium (oral – Terri Rein)

T. Rein introduced this item.

7.2 Announcement: First Annual Groundwater Sustainability Agency Summit, hosted by Groundwater Resources Association of California (GRA) on June 6-7, 2018 in Sacramento (oral – Amy Poncato)

A. Poncato introduced this item.

Discussion by Board and staff.

7.3 San Lorenzo River Conjunctive Use Project and Results of the San Lorenzo River Flow Accretion Study (oral – John Ricker)

J. Ricker introduced this item.

8. DIRECTOR REPORTS

Individual directors' reports (oral)

Well Owner Representatives public outreach efforts (oral)

9. FUTURE AGENDA ITEMS

- FY 2019 Budget Adoption (June)

- Records Retention Schedule
 - Acknowledge the new San Lorenzo Valley Water District Alternate Board Member (replacing Eric Hammer)
 - Add more meetings as per Facilitator
- Discussion by Board and staff regarding Facilitator interviews.

10. ADJOURNMENT

Engfer Motion to adjourn the meeting at 8:58 p.m.

APPROVED BY:

Chris Perri, Chair

Date

ATTEST:

Angela Franklin, Secretary

Date

AGENDA REPORT

Santa Margarita Groundwater Agency

To: Board of Directors
Date: June 28, 2018
Item: General Business Agenda 6.1
Subject: Facilitation Services Progress

SUMMARY

Recommendation: Receive information and provide input

Fiscal Impact: No direct impact from this action

BACKGROUND

On April 12, 2018 the board approved the agreement with California State University Sacramento (CSUS) for Facilitation Services with the scope of work focused on joint goal setting process that will help establish a solid foundation for the planning work that is required during the Groundwater Sustainability Plan (GSP) development for the Santa Margarita Groundwater Basin. Services under this agreement are provided by the CSUS, College of Continuing Education, Consensus and Collaboration Program (CCP) and the project led by a Managing Senior Mediator Dave Ceppos as project manager and lead facilitator

DISCUSSION

The approach for the joint goal setting effort includes an assessment of the board members and alternates and other stakeholders of the Santa Margarita Groundwater Agency (SMGWA). The project manager conducted background reviews (Task 1) during the week of June 11th with more than 20 identified individuals. The outcome of the reviews is assessed and summarized, followed by a preparation of a critical path work plan defining interim and final milestones by the remainder of the tasks. As of the posting of this board meeting agenda on June 22nd the staff had not received a draft report from the consultant yet. It is possible that at the board meeting, the staff or the consultant will be able to share an initial synopsis from the background reviews and/or propose a draft timeline for the upcoming tasks. It is anticipated that project schedule will necessitate more frequent meeting of the board and/or smaller groupings.

Submitted by,

Piret Harmon
General Manager
Scotts Valley Water District

AGENDA REPORT

Santa Margarita Groundwater Agency

To: Board of Directors
Date: June 28, 2018
Item: General Business Agenda 6.2
Subject: **FY 2019 Budget**

SUMMARY

Recommendation: Approve the Fiscal Year 2019 (FY 2019) Budget

Fiscal Impact: Total proposed budget is \$647,235 that will be funded by 3 member agencies contributing proportional shares of 60% from Scotts Valley Water District, 30% from San Lorenzo Valley Water District and 10% from the County of Santa Cruz. \$237,000 is anticipated to be received in grant disbursements.

BACKGROUND

The board adopted FY 2018 budget on August 30, 2017.

DISCUSSION

From the inception of the Agency in 2017 through January 2022, the main objective of the Santa Margarita Groundwater Agency has been and will be to develop the Groundwater Sustainability Plan (GSP). The mandate from California Department of Water Resources to develop a GSP for a basin is decided based on the following factors: total basin area, population served by the basin, number of public and private groundwater wells, size of irrigated land, total pumping from the basin, streamflow and habitat linkage. Some parts of the basin being in overdraft has minimal relevance on the requirement for developing the plan.

The budget for FY 2019 and overall anticipated costs for the period through January 2022 are associated with the plan (GSP) development. The FY 2019 cost allocation of 60%-30%-10% between the member agencies is strictly for plan development and does not set any precedent for any future cost allocations for implementation.

The budget for FY 2019 (July 1, 2018 – June 30, 2019) is driven in large part by the work plan submitted with the 2017 Sustainable Groundwater Planning Grant application. The grant requires a 50% matching contribution from local sources, meaning that to utilize the \$1 million awarded, the Agency will need to spend at least an additional \$1 million on relevant tasks over the course of the grant duration. The grant has an end date of March 2022. FY 2019 budget anticipates approximately one quarter of the total grant budget to be disbursed during FY 2019.

The expenses are comprised of the estimated costs for outside professional/technical services, administrative/financial support services provided by member agencies and various administrative fees, services and supplies.

The revenue source for the grant match is contributions from the three member agencies. The cost allocation distribution represents each agency's general proportional share in the factors that determined the need for plan development (total pumping in the whole basin, population, size of the basin etc). The allocation is expected to remain the same over the course of the next 4 years or until the GSP development work is completed.

The cost share distribution for plan development is not based on the impacts on the basin nor probable benefits received. The eventual implementation costs of the plan including the funding structure and cost allocations will have a much stronger relationship to impact and benefits as determined by the plan (GSP).

The staff recommends the cost share allocation of 60% from Scotts Valley Water District, 30% from San Lorenzo Valley Water District and 10% from County of Santa Cruz.

By approximate estimation, the total cost of the plan development is \$2.0-\$2.2 million. After the grant disbursement, the expected contributions over the four year period (2018-2022) from Scotts Valley Water District, San Lorenzo Valley Water District and County of Santa Cruz are \$660,000, \$330,000 and \$110,000 respectively or \$165,000, \$83,000 and \$27,000 per year.

As a consideration of cash flow needs (grant proceeds are expected to be received 6-9 months after the expenses are incurred), the contribution amounts from member agencies for FY 2019 are calculated without anticipated grant proceeds.

Submitted by,

Piret Harmon
General Manager
Scotts Valley Water District

Attached: FY 2019 Budget Expense
FY 2019 Budget Revenue

FY 2019 Budget

Santa Margarita Groundwater Agency

	FY 2018 Budget	FY 2018 Est. Actual	FY 2019 Budget	FY 2019 Grant Reimb	Grant Budget FY 15-22 Total	Grant
Expenses						
Administrative Services					\$218,000	\$50,000
Administrative Staff (SVWD)	\$35,000	\$33,000	\$50,000	-\$12,000		
Insurance Premiums		\$1,500	\$1,500			
Membership Fees		\$1,000	\$2,275			
Training and Travel		\$6,500	\$13,500			
Computer Equipment/Software		\$2,000	\$3,260			
Miscellaneous Admin		\$500	\$1,000			
Financial Services						
Treasurer (SLVWD)		\$10,000	\$10,000			
Grant Administration (County)		\$5,000	\$10,000			
Audit		\$0	\$7,500			
Banking Fees		\$50	\$200			
Outreach/Stakeholder Engagement	\$10,000	\$5,000	\$50,000	-\$25,000	\$150,000	\$100,000
Facilitation Services		\$5,000	\$88,000		\$175,000	\$0
Legal Services	\$10,000	\$5,000	\$10,000			
Hydrological Services					\$343,958	\$0
Review model	\$50,000	\$25,000	\$35,000			
Update Model	\$100,000	\$0	\$100,000			
Water budget	\$50,000	\$0	\$0			
Monitoring					\$200,000	\$0
Stream Discharge stations	\$45,000	\$45,000	\$45,000			
Additional flow monitoring	\$5,000	\$0	\$5,000			
Well measurements	\$5,000	\$0	\$5,000			
Plan Development						
Planner	\$50,000	\$0	\$110,000	-\$100,000	\$525,000	\$450,000
Technical Consultant			\$100,000	-\$100,000	\$400,000	\$400,000
Total Expenses	\$360,000	\$144,550	\$647,235	-\$237,000	\$2,011,958	\$1,000,000

FY 2019 Budget

Santa Margarita Groundwater Agency

FY 2018
Budget

FY 2018
Est. Actual

FY 2019
Budget

FY 2019
Grant Reimb

Revenue

		FY 2018 Budget	FY 2018 Est. Actual	FY 2019 Budget	FY 2019 Grant Reimb
SVWD		\$190,000	\$95,000	\$388,341	
SLVWD		\$140,000	\$70,000	\$194,171	
County		\$30,000	\$15,000	\$64,724	
Prop 1 GSP Grant					\$237,000
Total Revenue		\$360,000	\$180,000	\$647,235	

Proposed cost allocation (GSP development period 2018-2022)

SVWD	60%
SLVWD	30%
COUNTY	10%

AGENDA REPORT

Santa Margarita Groundwater Agency

To: Board of Directors
Date: June 28, 2018
Item: General Business Agenda 6.3
Subject: **Agreement for Independent Auditor Services**

SUMMARY

Recommendation: Approve and authorize staff to execute the agreement with Fedak & Brown LLP for Independent Auditor Services.

Fiscal Impact: Total cost of the proposed three year agreement is \$23,085. The fee of \$7,500 for the fiscal year ending June 30, 2018 audit is included in the FY 2019 budget.

BACKGROUND

An audit is a type of third-party review meant to assure the entity's management and outside concerned parties. An audit may focus on ensuring that the entity's financial records are accurate and complete. Another focus of an audit may be on the entity's internal controls. The internal controls are a set of procedures applied to all of the business's actions. These practices are meant to promote efficiency, prevent fraud and generate accurate financial information.

DISCUSSION

SLVWD, SVWD, and Mid-County Groundwater Agency are all currently using Fedak & Brown LLP as their third party independent auditor. Given the smaller nature of the Agency and the current working relationship of the two member agencies with Fedak & Brown LLP made it appropriate to ask them for a proposal for the Agency's audit. Previously, SLVWD and SVWD had done a request for proposals where Fedak & Brown LLP was awarded the contract for audit services with respective agencies, thus, reassuring their abilities and competitive pricing.

Submitted by,

Stephanie Hill
Treasurer, Santa Margarita Groundwater Agency
Director of Finance & Business Services, San Lorenzo Valley Water District

Attached: Fedak & Brown LLP proposal

Cost Proposal for Audit Services

Santa Margarita Groundwater Agency

Prepared by:

Fedak & Brown LLP

Certified Public Accountants
Cypress, California & Riverside, California
(657) 214-2307 (951) 783-9149



Contact Person:

Christopher J. Brown, CPA, CGMA, Partner
chris@fedakbrownllp.com



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
Jonathan P. Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

Cypress Office:
6081 Orange Avenue
Cypress, California 90630
(657) 214-2307
FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

May 7, 2018

Ms. Stephanie Hill, Director of Finance & Business Services
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, California 95006

Re: Request for Proposal for Independent Auditor Services

Dear Ms. Hill:

Based on our understanding of the Santa Margarita Groundwater Agency (Agency), our fee for audit services at our discounted rates for the fiscal year ending June 30, 2018 will be **\$7,500**.

Assuming there is no substantial change in the Agency's activities and operations, our fee for audit services for the fiscal years ending June 30, 2019 and 2020, will be **\$7,695**, and **\$7,890**, respectively.

Our estimate for out-of-pocket expenses is part of our operating rate structure. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services proposal for the fiscal years ending June 30, 2018 through 2020, are itemized in the attached Exhibits.

Our fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the Agency.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the Agency.

Christopher J. Brown, CPA, CGMA

May 7, 2018

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal year ending June 30, 2018 through 2020, the financial audit of the Agency will require approximately 65 audit hours. These hours, by major area, are summarized as follows:

FINANCIAL STATEMENT AUDIT HOURS				
Audit Steps	Partner	Manager	Staff	Total
Planning	2	2	2	6
Controls Testwork	2	4	12	18
Substantive Testwork	2	6	17	25
Reporting	4	8	4	16
	10	20	35	65

As shown above, we expect approximately 46% of engagement hours to come from the Partners and Managers assigned to all the engagements.

Working on the premise that we will be provided with all necessary audit support documentation (provided prior to the commencement of fieldwork), we expect to perform the audit of the Agency at fees as stated in the attached Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2018 through 2020, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned. We will obtain the assistance of Agency's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice.

Based upon the present size and scope of the activities of the Agency, we expect to perform the services enumerated above at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audit.

In accordance with your request for proposal and the Office of Management and Budget Circular A-128, we will maintain our work papers for at least seven years and make them available to the Agency, state agencies, the General Accounting Office, and other parties upon the direction of the Agency. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Schedule of Professional Fees by Hours on Page 4 of this cost proposal.

We want the Board to understand that we will provide **any** assistance and answer **any** questions that the Agency's staff or members of the Boards may have when they arise for the entire duration of our contract. We find it important to stay abreast of the Agency's activities and issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the Agency. Because of our experience in special districts, we will provide you with accounting updates (GASB) to assist in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Santa Margarita Groundwater Agency	
Engagement Fees By Fiscal Year	Audit Service Fees*
Fiscal Year 2018	\$ 7,500
Fiscal Year 2019	7,695
Fiscal Year 2020	7,890
Total Three Year Contract Price	\$ 23,085

Exhibit III – Schedule of Professional Fees by Hours

Santa Margarita Groundwater Agency Fiscal Year 2018

Breakdown of Fees by Hours

Fiscal Year 2018 Audit of:	<u>Hours</u>		<u>Hourly Rates</u>		<u>Total</u>
Agency's Basic Financial Statements					
Partner - Engagement & Technical	10	\$	150	\$	1,500
Manager	20		125		2,500
Staff	35		100		3,500
	<u>65</u>			<u>\$</u>	<u>7,500</u>

Santa Margarita Groundwater Agency Fiscal Year 2019

Breakdown of Fees by Hours

Fiscal Year 2019 Audit of:	<u>Hours</u>		<u>Hourly Rates</u>		<u>Total</u>
Agency's Basic Financial Statements					
Partner - Engagement & Technical	10	\$	153	\$	1,530
Manager	20		128		2,560
Staff	35		103		3,605
	<u>65</u>			<u>\$</u>	<u>7,695</u>

Santa Margarita Groundwater Agency Fiscal Year 2020

Breakdown of Fees by Hours

Fiscal Year 2020 Audit of:	<u>Hours</u>		<u>Hourly Rates</u>		<u>Total</u>
Agency's Basic Financial Statements					
Partner - Engagement & Technical	10	\$	156	\$	1,560
Manager	20		131		2,620
Staff	35		106		3,710
	<u>65</u>			<u>\$</u>	<u>7,890</u>

AGENDA REPORT

Santa Margarita Groundwater Agency

To: Board of Directors
Date: June 28, 2018
Item: General Business Agenda 6.4
Subject: **Drug-Free Workplace Policy**

SUMMARY

Recommendation: Adopt Resolution No. 2018-02 establishing Policy P1 Drug-Free Workplace

Fiscal Impact: None

DISCUSSION

To receive grant funding from the California Department of Water Resources for Groundwater Sustainability Plan development, the Santa Margarita Groundwater Agency (SMGWA) needs to implement a Drug-Free Workplace Policy. The proposed policy establishes procedures and protocols to comply with the State of California's Drug-Free Workplace Act (Act) Gov. Code § 8350 et seq.) Recipients of state grant funding must comply with the requirements of the Act and certify that it has a drug-free workplace or will take specific actions to ensure a drug-free workplace as a precondition of funding. The Act includes actions and requirements that apply to employees, contractors, and subcontractors.

The SMGWA's Joint Powers Agreement (JPA) and bylaws established the operational structure of the SMGWA. Article 6 of the bylaws established a collaborative staffing approach which relies upon employees of member agencies to perform the duties of the SMGWA. As such, there are no employees of the SMGWA at this time. The policy would pertain to any future employees of the SMGWA. The SMGWA utilizes outside contractors for additional services. Compliance with the Act requires notifying and informing contractors or subcontractors receiving grant funds about the drug-free awareness program.

The individual member agencies (Scotts Valley Water District, San Lorenzo Valley Water District, County of Santa Cruz) have similar drug-free workplace policies and/or comparable drug/alcohol policies and guidelines within employee handbooks; and reference to drug/substance abuse counseling, rehabilitation, and employee assistance programs.

The proposed policy recognizes that drug abuse in the workplace can create health and safety problems, can impair the ability to safely and effectively perform the job duties, and may threaten the safety of co-workers.

Submitted by,

Piret Harmon
General Manager
Scotts Valley Water District

Attached: Resolution 2018-02
Policy P1 Drug-Free Workplace



Santa Margarita Groundwater Agency

RESOLUTION NO. 2018-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARGARITA GROUNDWATER AGENCY ESTABLISHING POLICY P1 DRUG-FREE WORKPLACE

WHEREAS:

- 1) The Santa Margarita Groundwater Agency has submitted an application to the California Department of Water Resources to obtain grant funds under the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et seq.);
- 2) The California Drug-Free Workplace Act requires that the Agency certifies that it will provide a drug-free workplace prior to the execution of the grant agreement between the state and the agency;
- 3) The Santa Margarita Groundwater Agency Board of Directors recognizes the use of drugs and other controlled substances in the workplace can threaten the safety of co-workers and the public they serve.
- 4) The Santa Margarita Groundwater Agency will distribute the Drug-Free Workplace Policy to its employees, contractors and subcontractors.

BE IT RESOLVED by the Santa Margarita Groundwater Agency Board of Directors that it hereby:

Establishes Policy P1 Drug-Free Workplace effective immediately.

Passed and adopted this 28th day of June 2018 by the following Roll Call vote:

AYES:

NOES:

ABSENT:

Approved: _____

Chris Perri, Chair
Santa Margarita Groundwater Agency

Attest: _____

Angela Franklin, Secretary
Santa Margarita Groundwater Agency



Santa Margarita Groundwater Agency

POLICY

Policy No.: P1	Policy Title: Drug-Free Workplace
Policy Description: Designates Santa Margarita Groundwater Agency as a Drug-Free Workplace	
Adopted Date: 6/28/18	Approval Resolution No.: 2018-02

PURPOSE AND APPLICABILITY

This policy is established to comply with the State of California's Drug-Free Workplace Act (Gov. Code § 8350 et seq.) The Act requires persons or organizations awarded a contract or a grant from any state agency to certify that it will provide a Drug-Free Workplace.

The Santa Margarita Groundwater Agency (SMGWA) formed in 2017 as a Joint Exercise of Powers Agreement (JPA) among the Scotts Valley Water District, the San Lorenzo Valley Water District, and the County of Santa Cruz referred to as "member agencies." The JPA and the bylaws established the governance terms by which the SMGWA operates. Article 6 of the bylaws established a collaborative staffing approach which relies upon employees of member agencies to perform the duties of the SMGWA. There are no employees of the SMGWA. The collaborative staffing approach is subject to change upon future assessment of the JPA and bylaws. The policy pertains to any future employees of the SMGWA.

It is the responsibility of the Santa Cruz Margarita Groundwater Agency (SMGWA) to distribute this policy to employees, contractors, and subcontractors receiving funding from an applicable state-funded contract or a grant.

POLICY

The SMGWA Board of Directors recognizes the use of drugs and other controlled substances in the workplace can create health and safety problems and could impair the ability to safely and effectively perform the functions of his/her job. The use of such controlled substances also threatens the safety of co-workers and the public they serve.

Therefore, it is the policy of the Santa Margarita Groundwater Agency that:

1. The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace.

2. Each SMGWA employee, and when applicable contractors and subcontractors, will receive a copy of this policy.
3. Each SMGWA employee, and when applicable contractors and subcontractors, will be notified that as a condition of employment the employee is required to:
 - (a) Abide by the SMGWA's Drug-free Workplace policy; and
 - (b) Notify the SMGWA in writing of any criminal drug statute conviction for a violation that occurred in the workplace, no later than 5 calendar days after such conviction.
4. The SMGWA will take one of the following actions within 90 calendar days of receiving notice of the conviction:
 - (a) Take appropriate disciplinary action; and/or
 - (b) Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved by a federal, state, or local health or law enforcement agency. Upon successful completion of this program, the employee may be entitled to return to employment.
5. The SMGWA will inform the employee of available drug abuse awareness programs that inform about the dangers of drug abuse in the workplace, the availability of drug abuse counseling and rehabilitation programs, any employee assistance program, and the disciplinary actions that may be taken for violations.
6. The violation by an employee, contractor or subcontractor of any portion of this policy will result in the SMGWA taking appropriate action up to and including termination of employment and/or contracts.