

Date: July 25, 2019

Time: 5:00 p.m. (Meeting)

5:20 p.m. (Workshop – Tentative Start)

Location: Santa Margarita Community Room
2 Civic Center Drive, Scotts Valley, CA 95066

1. CONVENE MEETING

- 1.1 Call to Order and Roll Call
 - 1.2 Additions/Deletions to the Agenda
 - 1.3 Public Comments (on matters not on the Agenda)
-

2. ADMINISTRATIVE BUSINESS

- 2.1 Approval of the May 23, 2019, Board of Directors Meeting Minutes
 - 2.2 Acknowledgment of the appointment of Lew Farris, Alternate Board of Director from San Lorenzo Valley Water District
 - 2.3 Committee Meeting Reports – None
 - 2.4 Appointment of ACWA JPIA Board of Directors Representative Alternative
-

3. PRESENTATIONS

None

4. CONSENT AGENDA

None

5. GENERAL BUSINESS

None

6. STAFF REPORTS

- Proposed 2019 Santa Margarita Groundwater Agency Outreach Sequence (Piret Harmon/David Ceppos)
 - Financial Report (Stephanie Hill)
 - Legal Counsel Update (oral, Terry Rein)
 - Administrative Items Update (oral, Piret Harmon)
 - Basin Tour Conceptual Approach (oral, Piret Harmon)
-

7. DIRECTORS REPORTS

- Individual Directors' Reports (oral)
 - Travel/Training
 - Meetings
 - Board Compliance
-

8. FUTURE ITEMS

- Records Retention Policy
- Financial Controls for Borrowing Money
- Information Sessions
 - Groundwater Sustainability Plan Elements

9. INFORMATIONAL ITEMS

None

10. EVENTS CALENDAR

- 34th Annual WateReuse Symposium: September 8-11 2019, San Diego, CA

11. ADJOURNMENT

The regular Board of Directors meeting is adjourned.

12. WORKSHOP: UNDESIRABLE RESULTS – THE SGMA ROAD TO WHAT SHOULD BE AVOIDED

A majority of the Santa Margarita Groundwater Agency board will participate in this informational workshop. No action will be taken by the board.

The workshop will focus on “Undesireable Results”, a SGMA term that addresses the groundwater conditions a Groundwater Sustainability Agency (Such as SMGWA) seeks to avoid in a basin. The workshop will include informational presentation on SGMA terms, illustrative examples of undesirable results throughout the State, Board discussion on key “thought questions” related to the topic, and small group exercises including the Board and the public to determine “significant and unreasonable conditions” under various groundwater scenarios.

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| <p>PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT OF 1990, THE SANTA MARGARITA GROUNDWATER AGENCY REQUESTS THAT ANY PERSON IN NEED OF ANY TYPE OF SPECIAL EQUIPMENT, ASSISTANCE OR ACCOMMODATION(S) IN ORDER TO EFFECTIVELY COMMUNICATE AT THE AGENCY’S PUBLIC MEETING PLEASE MAKE SUCH A REQUEST TO THE SANTA MARGARITA GROUNDWATER AGENCY AT 2 CIVIC CENTER DRIVE, SCOTTS VALLEY, CA 95066, OR BY CALLING (831) 438-2363 A MINIMUM OF THREE (3) WORKING DAYS PRIOR TO THE SCHEDULED MEETING. ADVANCE NOTIFICATION WITHIN THIS GUIDELINE WILL ENABLE THE DISTRICT TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY.</p> |
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1. CONVENE MEETING

1.1 Call to Order and Roll Call

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

Board of Directors Present:

J. Dilles, D. Engfer, A. Franklin, L. Henry, J. Leopold, B. McPherson, D. Pollock, R. Stiles, S. Swan, C. Perri

Alternates Present: None

Staff Present:

P. Harmon, R. Menard, J. Michelsen, A. Poncato, T. Rein, J. Ricker, S. Ryan

1.2 Additions/Deletions to the Agenda

1.3 Public Comments (on matters not on the agenda)

None

2. ADMINISTRATIVE BUSINESS

2.1 Approval of March 28, 2019, Board of Directors Minutes

MOTION: Stiles/McPherson to approve the March 28, 2019, Board of Director meeting minutes.

AYES: J. Dilles, D. Engfer, A. Franklin, L. Henry, J. Leopold, B. McPherson, D. Pollock, R. Stiles, S. Swan, C. Perri

NOES: None

ABSTAIN: None

ABSENT: Cassidy

2.2 Committee Meeting Reports

None

3. PRESENTATIONS

None

4. CONSENT AGENDA

None

5. GENERAL BUSINESS

5.1 FY 2020 Proposed Budget

Recommendation: Approve the Fiscal Year 2020 (FY 2020) Budget

MOTION: Leopold/Stiles to approve the FY 2020 Proposed Budget

AYES: J. Dilles, D. Engfer, A. Franklin, L. Henry, J. Leopold, B. McPherson, D. Pollock, R. Stiles, S. Swan, C. Perri

NOES: None

ABSTAIN: None

ABSENT: Cassidy

5.2 Groundwater Sustainability Plan (GSP) Progress Update

Recommendation: Receive information and provide input

Discussion by Board and staff.

Four public comments were heard.

Board agreed to hold longer meetings when necessary.

6. STAFF REPORTS

- Financial Report (Stephanie Hill)
- Communications & Outreach Report (Piret Harmon/Bill Maxfield)
- Agreement for Facilitation Services, Task 5 (Piret Harmon)
- Legal Counsel Update (oral, Terry Rein)

7. DIRECTORS REPORTS

7.1 Individual Directors' Reports (oral)

- Travel/Training
- Meetings

7.2 Board Compliance

8. FUTURE ITEMS

- Records Retention Policy
- Financial Controls for Borrowing Money
- Information Sessions
- Groundwater Sustainability Plan Elements

9. INFORMATIONAL ITEMS

None

10. EVENTS CALENDAR

- Second Annual Groundwater Sustainability Agency Summit: June 5-6, 2019, Fresno, CA
 - 34th Annual WaterReuse Symposium: September 8-11, 2019, San Diego, CA
-

11. ADJOURNMENT

- MOTION: Leopold/Stiles to adjourn the meeting at 8:50 p.m.
- AYES: J. Dilles, D. Engfer, A. Franklin, L. Henry, J. Leopold, B. McPherson, D. Pollock, R. Stiles, S. Swan, C. Perri
- NOES: None
- ABSTAIN: None
- ABSENT: Cassidy
-

C. Perri, Chair

Date

A. Franklin, Secretary

Date



Santa Margarita Groundwater Agency

Committee Assignments

| Committee | Members |
|--|---|
| Facilitation Committee | Angela Franklin Lois Henry |
| Standing Committee 5 Members (Directors) | Bruce McPherson Chris Perri Dale Pollock |
| ACWA JPIA Board of Directors | Chris Perri |
| Representative (Director) 2 Alternates (Director and Staff) | Piret Harmon – Alternate VACANT - Alternate |

JPIA Board of Directors - Member/Alternate

An excerpt from the JPIA Agreement:

"Article 7 - Board of Directors"

- (a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative from each Member, who shall be a Member director selected by the governing board of that Member. Each Member, in addition to appointing its member of the Board, shall appoint at least one alternate who shall be an officer, member of the governing board, or employee of that Member. The alternate appointed by a Member shall have the authority to attend and participate in any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.
- (b) Each Director or alternate of the Board shall serve until a successor is appointed. Each Director or alternate shall serve at the pleasure of the Member by which he or she has been appointed.
- (c) Each Director representing a Member, or his or her alternate, shall have one vote.

Please have your agency's Board of Directors designate a JPIA Director Representative and Alternate Representative.

Member Agency: _____

JPIA Director Representative: _____

Must be a member of the agency's board of directors.

Preferred mailing address: _____

E-mail address: _____

Phone number: _____

Assuming office date: _____

JPIA Alternate Representative: _____

Preferred mailing address: _____

E-mail address: _____

Phone number: _____

Please mail form to: Attn: Bobbette Wells, ACWA/JPIA, PO Box 619082, Roseville, CA 95661-9082

or FAX to: (916) 774-7040

STAFF REPORT

Santa Margarita Groundwater Agency

To: Board of Directors

Date: July 25, 2019

Item: Staff Report

Subject: **Proposed 2019 Santa Margarita Groundwater Agency Outreach Sequence**

The following is the proposed sequence of outreach activities of the Santa Margarita Groundwater Agency (SMGWA) for the rest of 2019 and into early 2020. The following efforts will at times focus on direct information for the SMGWA Board, and at times will focus on broader public education. The sequence is intentionally additive and is designed to achieve the following overarching goals:

- Inform SMGWA leaders and affected beneficial users about the process to prepare the Groundwater Sustainability Plan (GSP),
- Address historically challenging topics and create an educational venue for these topics to be discussed and mutually understood,
- Expand and improve shared understanding about the basin's hydrogeology, and
- Build consecutively through 2019 to prepare SMGWA leaders for upcoming GSP decision milestones in 2020

July Board Meeting – Undesirable Conditions: The SGMA Road to What Should Be Avoided

August (Date TBD) – Field Tour Kickoff

August Board Meeting – (tentative) The State of Surface Water in the Santa Margarita Basin

September Board Meeting - Hydrogeologic Conceptual Model (HCM)

September – General Outreach: Public Launch of updated Margaritaville Water Budget Game

October Board Meeting - Modelling

November Board Meeting – (tentative) Water Budgets and Setting Sustainable Management Criteria

January Board Meeting - Management Areas

Submitted by,

Piret Harmon / Dave Ceppos

STAFF REPORT

Santa Margarita Groundwater Agency

To: Board of Directors
Date: July 25, 2019
Item: Staff Report
Subject: **May 2019 Financial Report**

Attached is the Treasurer's Report. The Agency has been utilizing the revenue billed from the prior fiscal year and approximately half of the current budget was billed earlier this fiscal year.

Below is a brief description of these reports:

- **Statement of Revenue & Expenses** – reflects revenue invoiced to the participating members and expenses incurred during the stated time period
- **Statement of Net Position** – reflects the cash balance with Santa Cruz County Bank, any revenue still owed from participating members as Accounts Receivable (A/R), any monies still owed to vendors as Accounts Payable (A/P) and the resulting net income from the Statement of Revenue & Expenses
- **Accounts Payable Aging Summary** – reflects current expenses that have yet to be paid
- **Bill List** – reflects all payments made by the SMGWA, typically by check

This is an informational report only. Given the more simplistic nature of the Agency, there will typically be contributions from the participating members and expenses related to Agency activity.

Submitted by,

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

Attached: Financial Management Report

Financial Management Report

Santa Margarita Groundwater Agency

For the period ended May 31, 2019



Prepared on

July 17, 2019

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Statement of Revenues and Expenses

May 2019

| | Total |
|-------------------------------|----------------------|
| INCOME | |
| Total Income | |
| GROSS PROFIT | 0.00 |
| EXPENSES | |
| Advertising & Marketing | 1,362.50 |
| Dues & subscriptions | 380.90 |
| Legal & Professional Services | 41,573.19 |
| Meals & Entertainment | 1,470.00 |
| Office Supplies & Software | 10.49 |
| Total Expenses | 44,797.08 |
| NET OPERATING INCOME | -44,797.08 |
| NET INCOME | \$ -44,797.08 |

Statement of Net Position

As of May 31, 2019

| | Total |
|-------------------------------------|---------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| Checking | 248,325.52 |
| Total Bank Accounts | 248,325.52 |
| Accounts Receivable | |
| Accounts Receivable (A/R) | 28,030.83 |
| Total Accounts Receivable | 28,030.83 |
| Total Current Assets | 276,356.35 |
| TOTAL ASSETS | \$276,356.35 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable (A/P) | 29,605.07 |
| Total Accounts Payable | 29,605.07 |
| Total Current Liabilities | 29,605.07 |
| Total Liabilities | 29,605.07 |
| Equity | |
| Retained Earnings | 77,219.11 |
| Net Income | 169,532.17 |
| Total Equity | 246,751.28 |
| TOTAL LIABILITIES AND EQUITY | \$276,356.35 |

A/P Aging Summary

As of May 31, 2019

| | Current | 1 - 30 | 31 - 60 | 61 - 90 | 91 and over | Total |
|---|--------------------|-----------------|-------------------|----------------|--------------------|--------------------|
| California State University, Sacramento | 5,993.88 | | | | | 5,993.88 |
| EKI Environment & Water Inc. | | | 10,890.00 | | | 10,890.00 |
| Fedak & Brown LLP | 75.00 | | | | | 75.00 |
| Regional Water Management Foundation | 3,006.38 | | | | | 3,006.38 |
| Rein & Rein, APC | 630.00 | 270.00 | | | | 900.00 |
| SVWD | 8,739.81 | | | | | 8,739.81 |
| TOTAL | \$18,445.07 | \$270.00 | \$2,122.00 | \$0.00 | \$8,768.00 | \$29,605.07 |

Checking Account Activity

May 2019

| Date | Transaction Type | Num | Name | Memo/Description | Amount |
|---------------------------|----------------------|------|---|---|---------------------|
| Checking | | | | | |
| Beginning Balance | | | | | |
| 05/03/2019 | Bill Payment (Check) | 1065 | ScratchSpace Inc. | Professional Services April 2019 | -405.00 |
| 05/29/2019 | Payment | | Scotts Valley Water District | | 168,184.95 |
| 05/29/2019 | Payment | | San Lorenzo Valley Water District | | 84,092.48 |
| 05/30/2019 | Bill Payment (Check) | 1057 | Rein & Rein, APC | Services through 03/31/19 | -1,372.50 |
| 05/30/2019 | Bill Payment (Check) | 1058 | Fedak & Brown LLP | Professional audit services March 2019 | -1,050.00 |
| 05/30/2019 | Bill Payment (Check) | 1060 | Miller Maxfield | Public Outreach Consulting for April 2019 | -912.50 |
| 05/30/2019 | Bill Payment (Check) | 1059 | California State University, Sacramento | Services thru February 2019 | -10,981.66 |
| 05/31/2019 | Bill Payment (Check) | 1063 | Miller Maxfield | Public Outreach Consulting for May 2019 | -1,362.50 |
| 05/31/2019 | Bill Payment (Check) | 1071 | Errol L Montgomery & Associates Inc. | Professional Services April - May 2019 | -40,433.01 |
| Total for Checking | | | | | \$195,760.26 |
| TOTAL | | | | | \$195,760.26 |

Santa Margarita Groundwater Agency Board of Directors Compliance Tracking

| Members | Form 700 Due: April 2, 2019 | AB:1234 Ethics Current | AB:1234 Ethics Due | Code of Conduct | Signed Guiding Principles |
|-------------------|--------------------------------|---------------------------|-----------------------|-----------------|------------------------------|
| Edan Cassidy | 04/01/19 | 02/25/18 | 02/25/20 | 01/16/18 | 02/12/19 |
| Jack Dilles | 02/26/19 | 01/19/19 | 01/19/21 | 12/15/17 | 01/31/19 |
| Doug Engfer | 02/27/19 | 08/09/18 | 08/09/20 | 12/16/17 | 03/13/19 |
| Angela Franklin | 03/27/19 | 02/08/18 | 02/08/20 | 12/15/17 | 01/31/19 |
| Lois Henry | 03/11/19 | 12/14/18 | 12/14/20 | 12/14/18 | 01/31/19 |
| John Leopold | 03/22/19 | 09/13/17 | 09/13/19 | 12/15/17 | 02/01/19 |
| Bruce McPherson | 03/22/19 | 01/20/18 | 01/20/20 | 08/28/18 | 05/21/19 |
| Chris Perri | 03/28/19 | 03/19/19 | 03/19/21 | 12/16/17 | 01/31/19 |
| Dale Pollock | 05/02/19 | 03/16/19 | 03/16/21 | 12/18/17 | 01/31/19 |
| Ruth Stiles | 03/24/19 | 02/05/19 | 02/05/21 | 12/15/17 | 02/08/19 |
| Stephen Swan | 04/02/19 | 01/15/19 | 01/15/21 | 12/14/18 | 01/31/19 |
| Alternates | | | | | |
| David Baskin | 02/25/19 | 07/07/18 | 07/07/20 | 01/23/18 | 01/31/19 |
| J.M. Brown | 03/28/19 | 03/28/19 | 03/28/21 | 07/09/18 | 02/01/19 |
| Bryan Hayes | | | | 12/18/17 | |
| Jeff Koopman | 05/06/19 | 05/09/19 | 05/09/21 | 05/02/19 | 05/02/19 |
| Donna Lind | 03/20/19 | 05/27/17 | 05/27/19 | 12/15/17 | 02/01/19 |
| Danny Reber | 03/29/19 | 04/24/18 | 04/24/20 | 01/15/18 | 01/31/19 |

AB 1234: Public Officials Ethics Training

California Law requires that local officials who receive compensation, salary, stipends, or expense reimbursements complete a public official's ethics laws and principles training relevant to public service within six months of taking office and repeated every two years. District retains original certificates of completion for five years.

Code of Conduct

The Board understands the importance and value of a positive and constructive culture to the overall performance of the Agency. In order for the Board to function in an effective manner, it is important that the Directors acknowledge their respective roles and the level of performance necessary to carry out the duties of a Director. All Directors shall agree in writing to follow the Guiding Principles of the Agency set forth in Appendix B of the Bylaws.

Guiding Principles

The Board understands the importance and value of a positive and constructive culture to the overall performance of the Agency. In order for the Board to function in an effective manner, it is important that the Directors acknowledge their respective roles and the level of performance necessary to carry out the duties of a Director. All Directors shall agree in writing to follow the Guiding Principles of the Agency set forth in Appendix A of the Bylaws.