

**SOQUEL CREEK WATER DISTRICT  
REGULAR MEETING MINUTES  
March 3, 2009**

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**1. Roll Call**

President LaHue called the Regular Session to order at 7:04 p.m.

**Board Members Present:**

Dr. Thomas LaHue, President  
Bruce Daniels, Vice President  
Dan Kriege  
Dr. Don Hoernschemeyer

**Board Member Absent:**

Dr. Bruce Jaffe

**Staff Members Present:**

Laura Brown, General Manager  
Bob Bosso, District Counsel  
Michelle Boisen, Financial/Business Services Manager  
Ron Duncan, Conservation & Customer Service Field (CCSF) Manager  
Taj Dufour, Operations & Maintenance Manager  
Denise Alexander, Executive Assistant/Board Clerk

**Staff Member Absent:**

Jeff Gailey, Engineering Manager/Chief Engineer

**Others Present:**

3 members of the public

**2. REPORT FROM CLOSED SESSION – February 17, 2009**

- a. Conference with District Labor Negotiator to Give Direction Regarding Memorandum of Understanding with SEIU Local 521
- b. Conference with Laura Brown, General Manager to Give Direction Regarding Memorandum of Understanding with Management Employees

President LaHue stated that the Board gave direction to the labor negotiator regarding the MOU with SEIU Local 521 and to the General Manager regarding the MOU with management employees.

3. **APPROVAL OF MINUTES**

February 17, 2009

Page 2, Oral Communications – The Board reassured Ms. Sajan that the ~~manganese and iron~~ **mineral** residue is not harmful..

Page 6, Item 6.12, change 51% to **59%**.

MOTION: Director Hoernschemeyer; Second: Director Daniels: To approve the minutes of the February 17, 2009 as modified. The motion passed by a unanimous vote. Director Jaffe absent.
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4. **ORAL COMMUNICATIONS**

Dave Michael, a District customer since 1996, stated his Conditional Will Serve letter to build two homes in the La Selva Beach area was approved by the Board at the February 17 meeting. He expressed concern with the language in the Will Serve letter that states, *..it should not be taken as a guarantee that service will be available to the project in the future or that additional conditions, not otherwise listed in this letter, will not be imposed by the District prior to granting water service.* He asked for clarification of what that language actually means and if anyone holding a Will Serve letter was ever denied service, if a moratorium is anticipated in the future or with the economy in a downturn and construction sort of non-existent, what are the expectations of the District for this year and the next?

The Board responded to Mr. Michael's questions stating that to date, no one has ever been denied service once they met the conditions. However, the District must protect itself and its water supply; the conditional language in the Will Serve letter is intended to act as a warning that service is not guaranteed. A moratorium was declared in the past and it could happen again. The deficit of groundwater supply and offsetting projected use was explained. When a final discretionary permit for the project is granted and the requirements of the District's Water Demand Offset Program have been met, an Unconditional Will Serve letter will be granted which would ensure service. Additionally, it was noted that retrofits may not be available at a later date. The Board thanked Mr. Michael for coming.

Director Hoernschemeyer stated he received a notice from ACWA/JPIA that the District received a member benefit insurance premium refund of approximately \$57,000. Congratulations were extended.

Director Daniels stated he is a member of a climate change sub-committee to ACWA's energy committee that was formed last year. A conference call was held last week about the topics being discussed in Washington and ACWA

will be testifying. Let him know if anyone wants that information. He contacted staff regarding the District's automated-read meters and security issues. An article in the San Francisco Chronicle regarding how much rain will it take to overcome drought conditions and that recent rainfall only edged up Shasta Lake Reservoir by 1% was mentioned. He noted that statewide, we have a long ways to go to repair the damage from the past three years.

President LaHue stated that replacing cement/asphalt with pervious surfaces could possibly provide offset credits for the Water Demand Offset program if good recharge areas were identified.

**5. PUBLIC HEARING**

None

**6. ADMINISTRATIVE BUSINESS**

**6.1 Will Serve Water Service Application for John Devery, 2877 Wimbleton Drive, Aptos, APN 037-301-04**

Janice Spencer, a realtor, stated she was present on behalf of the applicant. The lot is in escrow and the buyer from out of the area stated he would be willing to pay for the meter now so he could be assured of getting water service when he goes to build on the property next year. District Counsel Bob Bosso explained why the Board does not support that approach because it creates value on those lots and if water restrictions are put in place later on, those lots become the most expensive in the area. A brief discussion ensued and an example of the situation in Cambria was noted.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the single family dwelling to be located at 2877 Wimbleton Dr. in Aptos, APN 037-301-04. The motion passed by a unanimous vote. Director Jaffe absent.
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**6.2 Voluntary Drought Curtailment Consideration – Postpone and Monitor**

Conservation/Customer Service Field Manager Ron Duncan stated that the City of Santa Cruz has delayed their determination on drought curtailment actions until March 20 due to the recent and forecasted rainfall. A brief discussion ensued.

MOTION: President LaHue; Second: Director Kriege: To direct staff to monitor precipitation and return at a subsequent Board meeting with a recommendation regarding possible drought curtailment actions. The motion passed by a unanimous vote. Director Jaffe absent.

6.3 Approve Policy Modification and Funding for District to Perform Toilet Retrofits for Customers Waiting More Than One Year on the Water Demand Offset Credit List and Temporary Suspension of the Turf Rebate Program

Mr. Duncan provided an overview of the staff report. Discussion ensued whether to temporarily suspend the turf rebate program until 85% of the current turf credits have been sold or to continue with the program to benefit the aquifer and if so, what criteria to use, i.e. to set a maximum limit per rebate. Selling the toilet credits once the District starts to perform the retrofits instead of banking them was also discussed.

Director Daniels recommended continuing to try to sell the turf credits and to temporarily hold off selling the toilet credits to consider possibly merging the two programs at a later date.

The cost per acre-foot of water saved from turf and toilet retrofits was discussed. Director Kriege asked staff to confirm the calculations at a subsequent meeting.

When the contractor bids are received for the District Installed Toilet Replacement Program, a determination can then be made for how much the District could sell the toilet retrofits.

By consensus, discussion to temporarily suspend the turf rebate program until 85% of the current turf credits have been sold will be continued until the amount of savings is known.

MOTION: Director Daniels; Second: Director Kriege: To approve a Water Demand Offset policy modification that provides for District performed toilet retrofits (via a contractor) for all customers on the waiting list over one year and, once the bids are received, return to the Board for a decision about whether to hold or sell the toilet credits; to authorize staff to request bids to perform the toilet retrofits and to approve the reallocation of \$100,000 from the *Carbon Footprint Reduction* budget and another \$100,000 from the *O'Neill Ranch Well Site Acquisition* budget to perform the 2008/09 toilet retrofits. The motion passed by a unanimous vote. Director Jaffe absent.

Board members encouraged staff to continue thinking of ways to expand the Water Demand Offset Program, e.g. replacing impervious hardscape with permeable material in groundwater recharge areas, other recharge projects and satellite reclamation projects.

6.4 Position on County of Santa Cruz/City of Capitola Storm Water Management Program

Director Daniels requested that the Board revisit the letter that was signed by the District and five other local agencies to the Regional Water Quality Control Board (RWQCB) on January 5, 2009, in support of the Santa Cruz Municipalities Stormwater Program. Director Daniels explained that the issue he has with the letter is that it doesn't come out and specifically say that hydromodification won't be done; it's unclear. He distributed a proposed letter he wrote from the District to the RWQCB with three photographs of a recent development project that drains directly into Soquel Creek. The letter states that the District supports limits to hydromodification due to the severe impact it has had on groundwater recharge. A brief discussion ensued and modifications to the letter were made.

MOTION: Director Kriege; Second: Director Daniels: To submit a separate letter as modified to the RWQCB on the Draft County of Santa Cruz/City of Capitola Storm Water Management Program to be signed by both President LaHue and Vice President Daniels. The motion passed by a unanimous vote. Director Jaffe absent.

6.5 Policy Re: Responding to Requests from Other Agencies for Written Positions or Comments

Number 2 under the types of requests will be modified as follows: CEQA comments: Staff reviews and comments on CEQA documents provided by other agencies (*with cc to the Board*) except for cases where an issue may come up that is not addressed by District policy, in which case that matter would be brought to the Board for direction.

MOTION: Director Daniels; Second: Director Hoernschemeyer: To approve the proposed policy as modified for responding to requests from other agencies for written positions or comments. The motion passed by a unanimous vote. Director Jaffe absent.

6.6 Cooperative Groundwater Management Agreement with City of Santa Cruz - Approve Scope of Work and Budget for HydroMetrics LLC

Ms. Brown provided input. Discussion ensued. The Board suggested asking Mike Cloud, Hydrologist with the County of Santa Cruz, if he would analyze the city's consulting hydrogeologist's interpretation of the geology for the shared area of the Purisima Formation while the City and District continue to move forward with working out a cooperative agreement. A collaborative effort to share and discuss information with the city will be made. Also, inquire whether the city would be willing to accept a third party peer review of the interpretation.

MOTION: Director Daniels; Second: Director Hoernschemeyer: To authorize the standard District Consultant Agreement with HydroMetrics LLC at a cost not to exceed \$34,530 and to allocate \$34,530 from Operating Contingency Reserves for Technical Support for the Cooperative Groundwater Management Agreement with the City of Santa Cruz, CWO 09-150. The motion passed by a unanimous vote. Director Jaffe absent.

6.7 Appoint Alternate to the Groundwater Management Plan Basin Implementation Group

Director Kriege stated he would be the alternate.

MOTION: President LaHue; Second: Director Daniels: To appoint Director Kriege as an alternate member of the Basin Implementation Group. The motion passed by a unanimous vote. Director Jaffe absent.

6.8 Desalination Task Force and Energy Issues (oral report)

Directors Kriege and Daniels reported on the highlights of the meeting held on February 18. A successful consensus was reached as to when each agency would have primary use of the plant, including during drought conditions. The portion of the original Memorandum of Agreement regarding the costs incurred for the design (pre-construction costs) of the plant to be equally shared by both agencies will be revisited at the next meeting.

7. **INFORMATION ITEMS**

None

8. **STATUS REPORTS**

- 8.1 Conservation & Customer Service Field - Mr. Duncan provided an overview of the status report. He reported that the meter replacement program is moving along at a good pace; staff has been following up on calls received from customers who had observed water wasting at a few local businesses; three phone calls were received from people concerned about the Governor's declaration on drought and not knowing how they could save any more water than what they are already doing; positive connections were made at the Business Showcase and relations are being developed with PG&E and AMBAG to help promote each other's energy saving/conservation programs; Ecology Action has expressed an interest in writing grant proposals for water conservation and a meeting has been scheduled to meet with them later this week; the County is making progress on the Retrofit on Resale proposal.
- 8.2 Income & Investment Report for January – Ms. Boisen stated that at the last meeting, President LaHue had asked if the District could include information on typical use by similar customers as a comparison on a residential customer's bill to encourage conservation. A sample was distributed to the Board. Director Daniels asked if the same could be done for commercial. The Board thanked Ms. Boisen for this effort. She referred to page 5 of the I&I report and reported that some of the District's accounts are not FDIC insured. Several recommendations to address this concern were discussed.
- 8.3 District Counsel – Bob Bosso stated he has been working with staff on a potential booster station site for sale and the Water Demand Offset Toilet Replacement Program Bid Package with Mr. Duncan and the issue that the City of Capitola performed offset credits at the Jade Street Park property that is owned by the Soquel Union Elementary School District to use for the Rispin Hotel project. Discussion ensued. Additionally, he has been working on a project up on Trillium Way & Campus off of Cathedral, regarding a private right-of-way agreement.
- 8.4 General Manager – Ms. Brown stated she had nothing further to report. In response to an inquiry from Director Daniels, Ms. Brown confirmed that Director Jaffe had stated he would attempt to locate who had distributed the silicoflourides flyer.
- 8.5 Work Plan & Special Assignments- Directors Hoernschemeyer and Daniels suggested several other modifications to add and/or delete to the recently revised report. Ms. Brown reported on recent communications she had with County Supervisor John Leopold inquiring whether the District supported their agenda item to fund

Kestrel Consulting to do grant work for the Integrated Regional Water Management Program.

Operations and Maintenance Manager Taj Dufour responded to an inquiry regarding the 17 wells that have been calibrated referenced on page 8 of the work plan. A brief discussion ensued. Director Kriege suggested looking at the sites and to re-plumb if necessary to get the accuracy up.

**9. WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

None

**At 9:12 p.m. President LaHue recessed the Open Session to convene the Closed Session.**

**10. CLOSED SESSION**

10.1 Conference with District Labor Negotiator to Give Direction Regarding Memorandum of Understanding with SEIU Local 521

**President LaHue reconvened to Open Session at 9:40 p.m.**

President LaHue stated that the Board gave direction to the District Labor Negotiator regarding the Memorandum of Understanding with SEIU Local 521.

**11. ADJOURNMENT** - There being no further business, President LaHue adjourned the meeting at 9:41 p.m. to the next regularly scheduled meeting on March 17, 2009.

SUBMITTED BY:

APPROVED BY:

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Denise Alexander, Board Clerk

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Dr. Thomas LaHue, President