

**SOQUEL CREEK WATER DISTRICT  
REGULAR MEETING MINUTES  
April 7, 2009**

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1. **Roll Call**

President LaHue called the Regular Session to order at 7:03 p.m.

**Board Members Present:**

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

**Staff Members Present:**

Laura Brown, General Manager  
Bob Bosso, District Counsel  
Jeff Gailey, Engineering Manager/Chief Engineer  
Ron Duncan, Conservation/Customer Service Field Manager  
Michelle Boisen, Financial/Business Services Manager  
Taj Dufour, Acting Operations & Maintenance Manager  
Denise Alexander, Executive Assistant/Board Clerk

**Others Present:**

1 member of the public (appellant Item 5.1)

2. **APPROVAL OF MINUTES**

March 17, 2009 – The following changes were made:

Page 1, Oral Communications – *Director Kriege expressed concern that board members had met with the union team and that he didn't think that was a good idea.*

Page 2, 4<sup>th</sup> bullet – change ~~spurts~~ to **spurs**

Page 5, 3<sup>rd</sup> bullet - ..to discuss the Polo Grounds project and **how** to restructure **the project** after the failed sewer main extension assessment vote

MOTION: Director Kriege; Second: Director Daniels: To approve the minutes of March 17, 2009 as modified. The motion passed by a unanimous vote.
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3. **ORAL COMMUNICATIONS**

Director Jaffe stated that the Soquel-Aptos Area Groundwater Management Basin Implementation Group met on March 31. Committee members Jaffe and Daniels reported on the highlights of the meeting.

Director Daniels reported on the following:

- He spoke with Derrik Williams after the Basin Implementation Group Meeting, and using the protective groundwater level model to re-calculate the sustainable yield may result in a significantly lower amount than previous estimates.
- He is a member of the technical advisory committee for Save Our Shores. That group's meeting next week will talk about the focus for next year being desalination.
- He commented on a recent newspaper article regarding the proposed water restrictions for the City of Santa Cruz and calculated that average rainfall this year, as of yesterday, is 68% of normal.

President LaHue asked that consideration of precautionary drought curtailment be on the next agenda.

Director Kriege stated he was concerned that there appears to be an 8% difference between water produced and sold. He asked staff to agendize a report on the accuracy of the meters at the production wells and unaccounted for water.

**4. REPORT FROM CLOSED SESSION – March 17, 2009**

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

President LaHue stated that the Board gave guidance to the labor negotiator regarding the MOU with SEIU Local 521 and that Management negotiations were not discussed.

**5. PUBLIC HEARING**

**5.1 Appeal of High Water Usage Bill Adjustment, 408 Coates Drive**

Michelle Boisen, Financial/Business Services Manager, provided a brief overview of the staff report.

President LaHue opened the public hearing.

Geri Mayo-Flynn, the appellant, stated her neighbors did not hear any water running during that time period and she always checks the toilets before she leaves to make sure they aren't running/leaking. She cannot understand how 102 units of water could go unnoticed. Her water usage is usually quite low and is barely over 2 units since the

meter was replaced in November. She asked that the 102 units be charged at the Tier 1 rate.

**MOTION:** Director Kriege; Second: Director Jaffe: To close the public hearing. The motion passed by a unanimous vote.

Director Kriege stated he was sympathetic of Ms. Flynn's situation; however, the District has a policy for unexplained high water usage that would reduce the price of Tier 3 consumption to the Tier 2 rate. He further stated that it doesn't appear that findings can be made based on the information in the staff report that would support making an exception to our policy and similar requests have come before the Board before. President LaHue briefly explained that the District's recently revised policy tends to be more lenient when compared to other water agencies' policies. The Board tries to be "fair" to everyone. Making an exception would require changing the policy.

**MOTION:** Director Kriege; Second: Director Hoernschemeyer: To deny the customer's appeal for a greater adjustment than the tier adjustment for special circumstances. The motion passed by a unanimous vote.

The Board thanked Ms. Flynn for coming and for her great attitude.

Director Jaffe stated he would still like to find a way to provide some kind of relief when the customer has been obviously conscientious and it is clear the water wasn't intentionally used without being unfair to others whose appeals were denied.

Director Daniels responded by stating two issues: 1) the water did get used and costs money to produce and to give that water away would mean that everyone else is paying for the wasted water and, 2) if somehow there was a problem with a toilet, there has to be an incentive for the person to fix the problem so it doesn't happen again.

## **6. ADMINISTRATIVE BUSINESS**

### **6.1 Approve Two Water Demand Offset Program Items: 1) Policy Modification for Residential Lots Greater than One-Half Acre and 2) Offset Credit Amount for Ice Cream Machine Replacement**

Ron Duncan, Conservation/Customer Service Field Manager provided a brief overview of the staff report. The feasibility of filing a deed restriction to ensure that the property would not be used for any other

purpose other than what was originally stated when the Water Demand Offset (WDO) requirement was calculated was discussed.

Mr. Duncan explained how the WDO credit was determined for the ice cream machine and should a potential change in use occur at that site, he noted that the 0.298 acre-feet credit is specific for the evaluated situation and is not meant to be a standard credit value.

MOTION: Director Jaffe; Second: Director Kriege:

- 1) to approve a WDO modification to establish offset formulas for residential lots larger than one-half acre
- 2) to approve a WDO credit amount of 0.298 acre-feet for replacement of the single pass water cooling system ice cream machines with glycol cooled machines at the Capitola Dairy Queen
- 3) to follow up in one year from when the new glycol cooled ice cream machines are installed to confirm that the Dairy Queen's water use is proportionally less. The motion passed by a unanimous vote.

- 6.2 Will Serve Water Service Application for Clifford Bixler, San Andreas Rd. @ Byers Lane, Aptos, APN 045-031-22

MOTION: Director Daniels; Second: Director Kriege: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the single family dwelling to be located along San Andreas Road at Byers Lane in Aptos, APN 045-031-22. The motion passed by a unanimous vote.

- 6.3 Will Serve Water Service Application for Mary Jane Vidovich, 233 Rio Del Mar Blvd., Aptos, APN 042-211-28

MOTION: Director Hoernschemeyer; Second: Director Kriege: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the single family dwelling to be located at 233 Rio Del Mar Blvd. in Aptos, APN 042-211-28. The motion passed by a unanimous vote.

- 6.4 New Water Service Connection for St. John the Baptist Episcopal Church, 125 Canterbury Drive, Aptos, APN 038-081-35

MOTION: Director Jaffe; Second: President LaHue: To authorize the District's standard water connection to be installed for St. John the Baptist Episcopal Church, 125 Canterbury Drive in Aptos, contingent upon verification of completion of the go-green offset credits, APN 038-081-35. The motion passed by a unanimous vote.

6.5 Proposed Modifications to the Annual Statement of Investment Policy

MOTION: Director Daniels; Second: Director Kriege: To authorize the Financial and Business Services Manager to invest District surplus funds up to the federally insured amount and to direct interest revenue to accounts that seek to preserve capital. The motion passed by a unanimous vote.

6.6 Scope of Work and Budget for HydroMetrics LLC to Prepare Revisions to the Letter on Hydrologic Effects of the Well Master Plan Based on Using 2005-2008 for the Pumping Baseline and Other Recent Data

Ms. Brown provided an overview of the staff report. A discussion ensued regarding the importance of updating the previous hydrologic impact analysis to provide more accurate information for the Well Master Plan EIR.

Director Hoernschemeyer stated he would like to know a date when the updated analysis will be completed.

Ms. Brown provided clarification to Director Jaffe's inquiry regarding HydroMetrics' task No. 4 to recreate contour maps of cumulative water level changes. Ms. Brown will confirm that Gus Yates will be contributing to the analysis.

Mr. Duncan commented that retaining the existing analysis may have redeeming value because it provides a "worst case" scenario with regard to potential impacts. The Board concurred.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To approve the Revised Scope of Work and Budget for HydroMetrics LLC to update the hydrologic impacts analysis for the Well Master Plan EIR for an amount not to exceed \$13,495 with an anticipated completion date and to authorize the General Manager to issue a purchase order for this amount and to authorize \$13,495 to be appropriated from Operating Contingency Reserves to fund this work. The motion passed by a unanimous vote.

6.7 Seacliff Area Main Replacements Project, Phase II, Approve Change Order No. 2

MOTION: Director Daniels; Second: Director Jaffe: To adopt **Resolution No. 09-09** approving Change Order No. 2 for a contract addition of \$4,444.88 for the Seacliff Area Main Replacements Project, Phase II, CWO 08-042. The motion passed by a unanimous vote.

6.7 Surplus Property Sale Authorization

Not to list \$1.00 as a minimum bid was suggested; however, staff noted that these items are of minimal value and would cost the District to dispose of if they don't sell.

MOTION: Director Jaffe; Second: Director Hoernschemyer: To adopt **Resolution No. 09-10** authorizing the sale of one double containment polyethylene storage tank and one dump trailer as listed. The motion passed by a unanimous vote.

6.8 Set Date & Time in Late May for Fiscal Year 2009-10 Board Budget Workshop and Confirm Budget Format

The Board directed staff to provide their recommendations for the budget categories, to prioritize the capital improvement projects and identify those projects that could possibly be postponed, to be prepared to modify rate increases from those identified in the Financial Plan, and to accelerate monthly billing.

MOTION: President LaHue; Second: Director Kriege: To schedule a Budget Workshop on **May 19, 2009 at 5:30 p.m.** to discuss the FY 2009-10 Operating and the 2009-10 & 2010-11 CIP Budget with the recommended direction. The motion passed by a unanimous vote.

6.10 Letter Opposing SB42 (Corbett)

The Board discussed some revisions to the opposing SB42 letter. These will be reviewed with the Water Director for the City of Santa Cruz who is drafting a similar letter before finalizing.

MOTION: Director Kriege; Second: Director Jaffe: To authorize the Board President to sign a letter opposing SB42 (Corbett) as modified. The motion passed by a unanimous vote.

6.11 Desalination Task Force and Energy Issues (oral report)

Director Kriege briefly commented on discussions from the last meeting regarding capital items/costs. Discussions on operational costs is just starting. Dr. Haddad will be reviewing those items.

7. **INFORMATION ITEMS**

7.1 May/June *What's On Tap Newsletter*

Recommended changes to the newsletter were given.

Operations & Maintenance Manager Taj Dufour will provide additional testing data for arsenic levels in the District's distribution system near the T-Hopkins Treatment Plant and information regarding the increased water demand to remove arsenic to below detection level.

It was suggested to consider initiating an RFP for a graphic artist to design the newsletter.

## 8. STATUS REPORTS

- 8.1 Conservation & Customer Service Field (CCSF) – Mr. Duncan provided an overview of the status report. He reported on the following:

He received positive feedback from attendees to the WDO presentation he gave at the International Water Efficiency Conference in Newport Beach. Samples of the latest devices that were given out at the conference were shown e.g. automatic shut off sprinkler riser, sensor driven showerhead and a pamphlet of a greywater system from Australia. Several devices that convert 1.6 gpm to dual flush and HETs toilets were mentioned. He spoke with a representative from the Bureau of Reclamation about the District's grant and learned that a new grant will be coming out on water marketing efficiency that includes funding meter replacements. He received a call from the County that they have stimulus funds available to individually meter their low income housing projects. The Water Wise Mini Garden Grant that the Board recently approved received good press and was on tonight's news. An update on the Rispin/Jade Street Park issue was given. Thirty bids were received for the Toilet Replacement Project, and Board approval will be on the next agenda. We may have to tweak our conservation program to be in full compliance with AB 1420.

Director Daniels inquired about whether the Rispin Hotel & Spa project still includes a historical garden exemption and retaining the existing well. Mr. Duncan provided an update. A brief discussion ensued.

Director Daniels asked when staff anticipates the Toilet Installation project will start for the candidates who have been waiting on the list for over a year. Mr. Duncan stated that the Toilet Installation Project Bid Award will be on the next agenda.

- 8.2 District Counsel - Bob Bosso stated he is still working with staff on the private right-of-way agreement at Trillium Way & Campus and the Toilet Replacement Project. Also he has responded to several questions from Ms. Boisen and her staff with regard to District customer issues.

- 8.3 General Manager – Ms. Brown stated she has primarily been working on completing some work plan items and a lot of time has been spent on the budget. She stated she was thrilled to have Engineering Manager Jeff Gailey back after more than seven weeks on jury duty. The District has a new Engineering college intern from Brent Haddad’s class at UCSC.
- 8.4 Work Plan & Special Assignments – President LaHue complimented the report where an estimated completion date is given and asked that status remarks noting “slippage,” include an estimated completion date and/or possibly a percent complete.

**9. WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

Mr. Duncan mentioned an email that was sent to the Water Conservation Specialist Roy Sikes from a customer who noticed a huge water waste at the heather farm on San Andreas Road.

- 10. ADJOURNMENT** - There being no further business, President LaHue adjourned the meeting at 9:20 p.m. to the next regularly scheduled meeting on April 21, 2009.

SUBMITTED BY:

APPROVED BY:

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Denise Alexander, Board Clerk

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Dr. Thomas LaHue, President