

**SOQUEL CREEK WATER DISTRICT
REGULAR MEETING MINUTES
April 21, 2009**

1. Roll Call

President LaHue called the Regular Session to order at 7:02 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
Jeff Gailey, Engineering Manager/Chief Engineer
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

Others Present:

1 member of the public (appellant Item 4.1)

2. APPROVAL OF MINUTES

April 7, 2009

MOTION: Director Kriege; Second: Director Hoernschemeyer: To approve the April 7, 2009 minutes as presented. The motion passed by a unanimous vote. Director Jaffe absent.
--

3. ORAL COMMUNICATIONS

Director Hoernschemeyer stated that the District's Earth Day exhibit was exceptional. The ACWA News mentions a magazine published by National Geographic entitled "Water for Tomorrow," on California water and the need to conserve that could be jointly purchased with other local agencies to meet the minimum order and distributed to district customers. CCSF Manager Ron Duncan provided input on the publication.

Director Daniels commented on several newspaper articles regarding other water agencies' conservation issues. He complimented Pajaro Valley Water Management Agency's display ad announcing a public meeting to learn about water issues. He recommended using that type of eye catching style for future notices.

In response to an inquiry from Director Hoernschemeyer regarding public outreach, General Manager Laura Brown stated that Mark Millan with Data Instincts is directing the outreach effort and developing materials for the Integrated water plans for both Soquel Creek Water District and the City of Santa Cruz; he provides advice on a regular basis.

Director Kriege stated he had heard about a recent break through for desalination where the reverse osmosis unit was lowered 1,300 feet down and 3 miles out in the ocean. The ocean provided 1,300 pounds of pressure to operate the system, thereby significantly reducing the energy demand.

President LaHue mentioned again that it would be nice to have a search function on the District's website. Ms. Brown stated that has been included in the District's upcoming proposed budget.

4. PUBLIC HEARING

4.1 Appeal of Underground Leak Adjustment: 430 Quail Run Road, Aptos

Financial/Business Services Manager Michelle Boisen provided an overview of the staff report regarding the appeal. Ms. Boisen briefly described the unique layout of Mr. Bahr's water system.

President LaHue opened the public hearing.

Mr. Bahr stated that after reading the information he received from Ms. Boisen, he understands the Board's situation regarding the District's policy; however, he is still hopeful and would like assistance with finding a solution for his concern about the location of the service meter/backflow device. The meter is located 1/3 of a mile from his house, next to a drainage ditch and in a vulnerable location that is used for garbage can pickup and neighborhood parking. The current location/setup is vulnerable to damage and makes it impossible to know if a leak has occurred in a timely manner. He stated that because of it being located on the District's right-of-way, and not on his property, he could not take protective measures to safeguard the meter. He responded to questions from the Board.

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

Director Kriege stated that installing bollards would protect the District's service meter and he asked if an AMR radio read meter would be beneficial in detecting leaks early. Mr. Duncan stated he would call the manufacturer to obtain more information about a new device to attach to an AMR that can boost the signal from the AMR that would allow Mr. Bahr to access and monitor his water usage via a computer.

Director Daniels recommended contacting Superior Pump who had performed the repairs, to obtain information on what might have caused the break in the water line.

President LaHue stated that it doesn't appear that findings can be made that would support making an exception to the District's policy for a greater bill adjustment.

MOTION: President LaHue; Second: Director Kriege: To deny the customer's appeal for a greater adjustment than provided in accordance with the existing underground leak adjustment policy. Staff will proceed with installing bollards to protect the District's meter and will obtain additional information regarding the AMR leak warning device. The motion passed by a unanimous vote. Director Jaffe absent.

The Board thanked Mr. Bahr for attending the meeting.

5. ADMINISTRATIVE BUSINESS

Items 5.1, 5.2 and 5.3 were heard simultaneously.

- 5.1 Will Serve Water Service Application for Matthew Weaver, 1760 Wilshire Drive, Aptos, APN 040-383-15
- 5.2 Will Serve Water Service Application for William Champin, 180 Dan's Drive, La Selva Beach, APN 046-011-64
- 5.3 Will Serve Water Service Application for Fred Armstrong, 201 Vista Drive, La Selva Beach, APN 045-193-08

MOTION: Director Hoernschemeyer: Second: Director Kriege: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the following parcels: the 800 square foot accessory dwelling unit being added to the site at 1760 Wilshire Drive in Aptos, APN 040-383-15; the 1,200 square foot apartment being added to the site at 180 Dan's Drive in La Selva Beach, APN 046-011-64 and the lot owned by Fred Armstrong located at 201 Vista Drive, La Selva Beach, APN 045-193-08. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.4 Will Serve Water Service Application for Soquel Union Elementary School District, Pre School/Early Childhood Center at 4400 Jade Street (Phase I & II), Capitola, APN 034-551-02

Engineering Manager Jeff Gailey clarified that the Water Demand Offset calculation spreadsheet (Attachment No. 3) was prepared by staff. The school district is asking for a Conditional Will Serve letter for both Phase I & II; however Phase II is not expected to be built for another ten years. A Will Serve letter has a sunset clause of two years. Detailed plans, including landscaping were not provided because the school district has just started to file an application with the California State Architect's Office. Staff clarified that the offsets would not be allowed to start until State architect approval is given.

Mr. Gailey confirmed that a water audit performed on the entire Jade Street Park property as requested by the Board was completed by District staff and clarified that the current water use is controlled by the tenant, the City of Capitola.

A discussion ensued regarding the school district's exempt status from local land use processes and whether the Will Serve letter should be limited to only Phase I or to do separate letters for each phase, recalculating the Water Demand Offset requirement.

Director Kriege supported staff's recommendation to authorize a Will Service letter for both Phase I & II; however, he would consider supporting separate letters for each phase if he could be certain the school district will come back to the District to be re-evaluated when detailed draft plans from the State Architect's office are available.

MOTION: Director Daniels: Second: Director Hoernschemeyer: To authorize separate Conditional Will Serve Letters for Phase I and II, modifying the Will Serve letter for Phase II to include language “**to contact the District for requirements of service when draft plans are available,**” indicating that the District will conditionally serve the Pre School/Early Childhood Center and K-5 Elementary School to be located at 4400 Jade Street in Capitola, APN 034-551-02. The motion passed by a 3-1 vote with Director Kriege dissenting. Director Jaffe absent.

- 5.5 New Water Service Connection for David Fisher, 645 Beach Drive, Aptos, APN 043-161-42

MOTION: Director Daniels: Second: Director Hoernschemeyer: To authorize the District’s standard water connection to be installed for David Fisher at 645 Beach Drive in Aptos, APN 043-161-42. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.6 Approve 15% Precautionary Drought Curtailment from May – October 2009 and Action Plan to Promote Voluntary Curtailment

Mr. Duncan provided a brief overview of the staff report, highlighting the District’s proposed actions to promote voluntary curtailment.

President LaHue stated that landscaping should be the primary focus.

Director Daniels reiterated that we have 30% less rainfall for this time of year and groundwater recharge is most likely less than that. Asking for a 15% reduction is half of our deficit and it should be higher. What kind of message are we sending to our customers when the Santa Cruz City Council will be considering a staff recommendation to declare Stage 2 mandatory restrictions at their next meeting and the District’s restriction would be voluntary.

President LaHue stated that groundwater levels are still significantly low in spite of conservation efforts. A higher curtailment would easily be justified.

Discussion ensued regarding: A notification letter and/or a postcard being sent to all accounts or to target specific users; Stage 1 and 2 water rationing; reduction goals of 15% or 30% and the type of rationing program, e.g. voluntary or mandatory; the criteria on water rationing stages set forth in the District’s 2005 Urban Water

Management Plan; and how long it would take to have enough data to consider going to Stage 2.

Mr. Duncan commented that additional staffing would be needed to enforce a Stage 2, up to 30% mandatory water restriction action plan. Verifying the effectiveness of a 15% voluntary curtailment can be confirmed fairly soon.

President LaHue suggested starting with a voluntary curtailment providing the education materials/notification stated that if the District's goals are not met, then a mandatory Stage 2 requirement will be declared.

Director Kriege supported staff's recommendation and to "wait and see" how the curtailment is going.

Ms. Brown stated that staff would require additional time to respond to direction from the Board to go with a different action plan than what was being recommended in the staff report which would delay implementation.

Director Hoernschemeyer stated that with rainfall only 70% of normal this year, more information is needed regarding the previous two years. Reports providing the following information were requested:

- 1) the amount of precipitation from preceding years
- 2) a semi-monthly weather index starting from April
- 3) tracking how much the top 10 high water users are using

Mr. Duncan stated that the weather index information only comes out monthly. Director Hoernschemeyer withdrew that request.

Director Daniels proposed monitoring daily pumping and providing a semi-monthly production report to the Board.

President LaHue asked staff to provide details at the next meeting on what it would entail with respect to cost and additional staff to go to Stage 2.

MOTION: Director Kriege: Second: Director Hoernschemeyer: To declare a Precautionary Drought Curtailment from May – October 2009 with a 15% Voluntary Curtailment and Approve the Action Plan as proposed with the addition of educating customers that the District invoke Stage 2 measures if the target reduction is not met. Staff is to provide monthly progress reports to determine if a 15% reduction is being achieved, otherwise to consider going to Stage 2 mandatory water restrictions and provide the informational reports requested. The motion passed by a 3-1 vote with Director Daniels dissenting. Director Jaffe absent.

5.7 Unaccounted for Water Report

Operations & Maintenance Manager Taj Dufour provided an overview of the staff report, noting that the 5.2% of unaccounted for water will be refined when staff obtains a better handle on the District's production meters. He responded to questions from the Board,

Director Kriege credited staff for the information provided and stated he would like staff to continue identifying more that could be done to reduce the amount of water being lost.

Director Hoernschemeyer complimented Mr. Dufour for an excellent report.

Mr. Dufour briefly explained the difference between measuring the water at the well head and at the treatment plant connection to the distribution system. Staff will start with addressing the treatment plant flow meters first to ascertain the amount of water going into the distribution system, which is already measured as close to production measurements.

The Board stated they do want the wellhead meters to be modified for optimum accuracy and encouraged staff to continue pursuing this project as well as ongoing effort to reduce water loss.

Information Item – No action taken.

5.8 Actions Needed and Cost to Perform Monthly Billing – *this item was pulled from the agenda*

5.9 2009 Financial Plan Prepared by Bartle Wells

MOTION: Director Daniels: Second: Director Kriege: To Accept the 2009 Financial Plan prepared by Bartle Wells Associates. The motion passed by a unanimous vote. Director Jaffe absent.

5.10 Appoint Ad Hoc Financial Plan Implementation Committee

Directors Hoernschemeyer and Jaffe were nominated. President LaHue stated that he would be the backup, if Director Jaffe is unable to participate.

MOTION: Director Kriege: Second: President LaHue: To appoint Directors Jaffe and Hoernschemeyer to the Ad Hoc Financial Plan Implementation Committee. The motion passed by a unanimous vote. Director Jaffe absent.

5.11 Toilet Installation Project, Bid Award

Mr. Duncan provided an overview of the staff report. RB Plumbing of Santa Cruz was the lowest bidder at \$552,234.

Director Kriege expressed concern about the amount of money being spent on the toilet installation project. He acknowledged the Board's intention to sell the retrofit credits at a future date; however he could not support moving forward with this project unless a plan to sell the credits is included in the motion or to bring back a recommendation on selling the credits at the next meeting. Mr. Duncan stated that a recommendation on the issues of selling the retrofit credits will be on the next agenda.

Director Daniels suggested that if the District sells the retrofits then the toilets for all candidates on the available retrofit list should be retrofitted, not only those who have been waiting for over a year.

Discussion ensued.

MOTION: Director Daniels: Second: President LaHue: To accept the lowest qualified bidder and adopt **Resolution No. 09-11** for award of contract to the lowest qualified bidder, RB Plumbing, for the Toilet Installation Project, CWO 09-152, and to include the cost of \$15 per toilet seat when purchased separately. Staff will return to the Board with a proposed plan for selling the retrofit credits. The motion passed by a unanimous vote. Director Jaffe absent.

5.12 Surplus Property Sale, Bid Award

The bid results were distributed, attached as **Exhibit A**.

MOTION: Director Daniels: Second: Director Hoernschemeyer: To award the bids to the highest bidders. The motion passed by a unanimous vote. Director Jaffe absent.

5.13 Consultant Agreement with HydroMetrics LLC for the SC-3A, SC-3B and SC-3C Escalona Monitoring Wells Installation, Capitola, Approve Purchase Order over \$5,000

The Board requested that continuous read monitors be used for water level measuring.

MOTION: Director Hoernschemeyer: Second: Director Kriege: To authorize allocation of \$34,876 from Operating Contingency Reserves and to authorize the Board President to sign a standard District consultant agreement with HydroMetrics LLC for consulting services for the Escalona (SC-3) monitoring well replacement project, CWO 09-11. The motion passed by a unanimous vote. Director Jaffe absent.

5.14 Memorandum of Understanding between Soquel Creek Water District and Service Employees International Union (SEIU) Local 521, Representing the Field and Office Employees Bargaining Unit

Ms. Boisen apprised the Board that a final vote was received from the District's SEIU membership and the MOU has been ratified by SEIU Local 521.

President LaHue expressed thanks on behalf of the Board to the District's negotiating team.

MOTION: Director Daniels: Second: President LaHue: To adopt **Resolution No. 09-12** ratifying the Memorandum of Understanding between Soquel Creek Water District and Service Employees International Union, Local 521, with a term of February 1, 2009 through January 31, 2013. The motion passed by a unanimous vote. Director Jaffe absent.

5.15 Approve Grant Writing Services from Kestrel Consulting, Inc., to Pursue Bureau of Reclamation Matching Grant Funds for the Radio Read Meter Project

An overview of the Challenge Grant Program was discussed. A scope of services and projected budget from Kestrel Consulting, Inc., was distributed, attached as **Exhibit B**. The emphasis will focus on the AMR's leak detection technology and consideration is being given to a new device that enables the meter to detect very low flow down to 5 gallons per hour that would normally go undetected.

MOTION: Director Kriege: Second: Director Hoernschemeyer: To direct staff to pursue the grant opportunity for the radio read meter project; to allocate \$24,000 from Operating Contingency Reserves for grant writing consulting services and, to authorize the General Manager to execute the standard consulting agreement with Kestrel Consulting, Inc. The motion passed by a unanimous vote. Director Jaffe absent.

5.16 2009 Election of Special District Representatives to Local Agency Formation Commission (LAFCO) – Direct District's Vote

MOTION: Director Daniels: Second: Director Hoernschemeyer: To direct the Board President to vote for **Dennis Smith** for Special District Representative on LAFCO. The motion passed by a unanimous vote. Director Jaffe absent.

5.17 Letter Supporting AB 1061 (Lieu)

MOTION: Director Daniels: Second: Director Kriege: To authorize the Board President to sign the letter of support for AB 1061 (Lieu) as presented. The motion passed by a unanimous vote. Director Jaffe absent.

5.18 Desalination Task Force and Energy Issues – (oral report)

Directors Daniels and Kriege commented on the April 15 task force meeting. Highlights noted: discussions regarding appropriation of plant operating costs between the parties are evolving and consultant CH2MHill was selected to do the Energy Minimization and Greenhouse Gas Reduction Study.

The one year pilot plant study has come to an end and the plant has been shut down. A public informational meeting will be held tomorrow night at the Seymour Center. Presentations on local water issues and preliminary findings of the Desalination Pilot Plant Project will be provided.

6. INFORMATION ITEMS

6.1 Small Claims Report for March – Nothing further was discussed.

7. STATUS REPORTS

7.1 Engineering – Mr. Gailey reported that the Larkin Valley Tank Recoat Project has been completed. The Seacliff Area Main Replacements, Phase II Project is 65% complete. An update on Potbelly Beach water main extension was given.

7.2 Operations & Maintenance - Mr. Dufour provided an overview of the status report and responded to questions from the Board. He added that the mixing system for THM's at Fairway Tank had been installed. He will keep the Board posted on sampling results.

Director Daniels recommended including testing for concentrations within the distribution system when the Country Club Well is tested again for 1,2,3 Trichloropropane and to do a Press Release when the next flushing into potable trucks is scheduled, to show the effort being made by the District to conserve water.

A corroded fire service valve was shown. Mr. Dufour stated that another type of valve will be used for all future installations. District Counsel Bob Bosso recommended randomly checking valves at different locations to determine the extent of corrosion.

7.3 Income & Investment Report for March – Ms. Boisen reported on the transfer of funds from Wells Fargo Bank for the bond payment.

7.4 District Counsel – Mr. Bosso stated he had several conversations with staff and started working on modifying the Joint Powers Agreement for Groundwater Management.

7.5 General Manager – Ms. Brown reported on the following: a number of communications have been received at the District regarding the rezoning of Poor Clares to affordable housing. The project's issues/concerns were noted. She apprised the Board she would be on vacation from April 23-24.

Mr. Bosso stated the Sentinel had requested the names and usage amounts of the top ten water users for both Soquel Creek and Scotts Valley Water Districts and the Government Code Section prohibiting disclosure of this information was cited in response.

8. **WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

None

9. **REPORT ON PAYMENT OF THE BILLS**

9.1 March Warrants and Feb./Mar. Credit Card Analysis

MOTION: Director Kriege; Second: Director Hoernschemeyer: To accept the March Warrants and Feb./Mar. Credit Card Analysis as paid. The motion passed by unanimous vote.

At 9:21 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 Management Employees Unit

President LaHue reconvened to Open Session at 9: 45 p.m.

President LaHue stated that the Board gave guidance to the labor negotiator regarding the MOU with management employees.

11. **ADJOURNMENT** - There being no further business, President LaHue adjourned the meeting at 9:46 p.m. to the next regularly scheduled meeting on May 5, 2009.

SUBMITTED BY:

APPROVED BY:

Denise Alexander, Board Clerk

Dr. Thomas LaHue, President