

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

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**1. Roll Call**

President LaHue called the Regular Session to order at 7:01 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 (CCSF) Manager  
Michelle Boisen, Financial/Business Services Manager  
Denise Alexander, Executive Assistant/Board Clerk

**Staff Members Absent:**

Taj Dufour, Operations & Maintenance Manager

**Others Present:**

None

**2. APPROVAL OF MINUTES**

June 16, 2009

Page 1: Poster Contest Awards Presentation - ..encourage conservation awareness through the classroom and to everyone seeing those posters.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To approve the June 16, 2009 minutes as modified. The motion passed by a 4-0-1 vote with Director Jaffe abstaining.
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**3. ORAL COMMUNICATIONS**

In response to a suggestion from Director Kriege, several Board members and staff clarified that the District's bulk water stations were prohibited from supplying reclaimed water.

Director Daniels stated he read in the Sentinel that a 17% system-wide reduction in water demand had been realized in response to the City of Santa Cruz's mandatory curtailment plan. Large water users were required to reduce their water use by 25%. Another article found a correlation between nitrates and some diseases, i.e. Alzheimer's, Parkinson and diabetes. The Resource Conservation District held a program a few weeks back for people interested in stormwater management. His house was selected as one of the demonstration sites and approximately 50-60 people came to see his recharge and greywater recycling projects.

Director Jaffe stated that in every hotel he stayed at in Japan, there was innovative water conservation; however, he did not see any dual-flush toilets. One hotel in southern Japan had a device that pumped bathtub water to the toilet for flushing.

4. **PUBLIC HEARING**

None

5. **ADMINISTRATIVE BUSINESS**

- 5.1 Will Serve (Renewal) Water Service Application for Ronald Grieson, Between Burns Avenue and Cathedral Drive, Aptos, APN 040-203-53

MOTION: Director Hoernschemeyer; Second: Director Daniels: To authorize the District's Conditional Will Serve letter indicating that the District will serve the new single family dwelling for Ronald Grieson located on Burns Avenue but with a service connection made from the Cathedral Drive property frontage in Aptos, APN 040-203-53. The motion passed by a unanimous vote.

- 5.2 Will Serve Water Service Application for Paul Savasky, "0" Mar Vista Drive, Aptos, APN 039-081-07

Engineering Manager Jeff Gailey confirmed that the applicant is aware that a new six-inch main will have to be installed from Mesa Drive down to the frontage of the property at his expense.

MOTION: Director Hoernschemeyer; Second: Director Daniels: To authorize the District's Conditional Will Serve letter indicating that the District will serve the new single family dwelling located at "0" Mar Vista Drive in Aptos, APN 039-081-07. The motion passed by a unanimous vote.

5.3 Barrett Way Main Replacement Project, La Selva Beach, Bid Award

The results of the bid opening on Thursday, July 2<sup>nd</sup> were not available in time to be included in the packet due to the July 4<sup>th</sup> holiday. Mr. Gailey read the bid results, attached as **Exhibit A**. Granite Construction Company was the lowest qualified bidder at \$55,834.00.

MOTION: Director Kriege; Second: Director Jaffe: To accept the lowest qualified bidder and adopt **Resolution No. 09-27** for award of contract to Granite Construction Company for the Barrett Way Main Replacement Project, CWO 08-031. The motion passed by a unanimous vote.

5.4 *This item was deleted*

5.5 Selection of District Bank

Financial & Business Services Manager Michelle Boisen responded to questions from the Board. Three proposals were received. The deciding factors used in the selection process were explained.

District Counsel Bob Bosso apprised the Board he is a shareholder in Santa Cruz County Bank.

MOTION: Director Jaffe; Second: President LaHue: To authorize staff to enter into an agreement with Santa Cruz County Bank to provide banking services to the District. The Motion passed by a unanimous vote.

Compliments were extended to Ms. Boisen and the District's Supervising Accountant Leslie Strohm for producing a nice report.

5.6 Claims of Damage:

- a. Kris Tamaki, 10070 Soquel Drive, Units A & B, two toilets
- b. Kris Tamaki, 10070 Soquel Drive, Units C & D, damaged plumbing and fixtures
- c. Britannia Arms, 8017 Soquel Drive, damaged service line

Staff responded to questions from the Board. General Manager Laura Brown stated she would speak to the Operations & Maintenance Manager Taj Dufour to inquire if there has been an increase in debris seen in the service lines.

MOTION: Director Jaffe; Second: Director Kriege: To deny the Claims of Damage submitted by Kris Tamaki and Britannia Arms and forward to JPIA for review and resolution. The motion passed by a unanimous vote.

5.7 Approve Annual Statement of Investment Policy, Fiscal Year 2009-10

MOTION: Director Kriege; Second: Director Daniels: To approve the Fiscal Year 2009-10 Investment Policy. The motion passed by a unanimous vote.

5.8 Approve Purchase of Three Utility Trucks for Operations and Maintenance

On behalf of the Operations & Maintenance Manager who was unable to attend the meeting, various staff members responded to questions regarding the three vehicles to be replaced and the criteria that was used. A discussion ensued.

President LaHue stated that more justification is needed and the following information was requested:

- justify the replacement need for each of the vehicles, independent of District policy and evaluate the cost of replacing transmissions in the Dodge Ram 2500 trucks compared to replacing these vehicles
- why the size selected for each vehicle
- the need for diesel and the various utility beds with regard to the functions each truck would perform

By consensus, the Board requested to reconsider the vehicle replacement policy in terms of cost/benefit and modern vehicle performance expectations.

5.9 Approve Purchase Order for PG&E Electrical Service Upgrade at Vista Del Mar Tank Site

Ms. Brown stated that the PG&E Electrical Service Contract amount is \$38,835.27.

MOTION: President LaHue; Second: Director Kriege: To authorize necessary funds to be allocated from Operating Contingency Reserves to complete the Electrical Upgrade at Vista Del Mar Tank Site, CWO 09-110. The motion passed by a unanimous vote.

5.10 Resolution Authorizing Destruction of Selected Records

MOTION: Director Daniels; Second: Director Kriege: To approve **Resolution No. 09-28** authorizing the destruction of 40 boxes of accounting and miscellaneous files and the destruction or recycling of 66 cassette tapes pursuant to the District's Record Retention Schedule. The motion passed by a unanimous vote.

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

Director Kriege stated he was very pleased with the outcome of the last meeting. Co-lead of the EIR was approved. A joint public hearing with the Santa Cruz City Council and SqCWD Board will be scheduled to certify the EIR and each body will take separate action to accept the project and any mitigation measures. A brief discussion ensued.

President LaHue thanked Directors Kriege and Daniels for serving on the scwd<sup>2</sup> Task Force committee. He apprised the Board that Director Daniels would be unable to continue as the District's representative due to other commitments. Director Jaffe offered to fill that vacancy and President LaHue stated he would continue to be the alternate. An item to change District task force representation will be put on the next agenda.

Director Daniels apprised the Board that a public information meeting about the proposed desalination project has been scheduled for September 24 at New Brighton School's Performing Arts Building.

**6. INFORMATION ITEMS**

6.1 Review Annual Disclosure (Govt. Code Section 53065.5), Fiscal Year 2008-09 Director and Employee Reimbursements Exceeding \$100

Information Item. No action taken.

6.2 Status on Action Plan to Promote Curtailing Water Use

CCSF Manager Ron Duncan provided an overview of the staff report noting that water consumption had decreased by 19% for the month of May. The most effective actions taken to promote curtailment have been the placement of water alert signs throughout the District and the interaction by our meter readers and Operations & Maintenance field staff to educate customers when the opportunity comes up. Also, staff is considering ways to thank District customers who succeeded in reducing their water use by 15%. He responded to questions from the Board.

Director Daniels stated he recently observed a significant amount of water being wasted by a commercial user and he expressed concern that some commercial customers appear to be apathetic about conserving water. Ms. Brown stated that the District's Water Waste Ordinance addresses perpetual violators and measures can be taken to stop that behavior.

In response to an inquiry from President LaHue, Mr. Duncan stated he would check into how the hotels have been responding to the 15% curtailment.

Director Daniels suggested possibly having a tiered rate structure on commercial use when the rates are reviewed again at the end of the year. Mr. Duncan stated that a two-day workshop geared towards the commercial industry is being considered.

Mr. Duncan responded to Directors Hoernshemeyer and Jaffe's comments that the weather index for May was significantly lower this year and how that could have had an effect on the 19% reduction seen in water production for May.

## **7. STATUS REPORTS**

- 7.1 Conservation & Customer Service Field (CCSF) – Mr. Duncan provided an overview of the status report. He reported that staff has been relatively pleased with the plumbing contractor performing the toilet retrofits. The Capitola Times had an article titled “The Value of Saving and Investing Prudently” by a District customer who talked about local drought conditions and potential water rationing, and how reducing water use can have long term financial benefits, e.g., he replaced his lawn with synthetic turf and received a District rebate besides saving time and labor for a total savings of \$800 a year. Governor Schwarzenegger has put through emergency drought legislation that allows greywater use for irrigation providing the water comes from the sink, shower or washing machine. It's a huge step in the right direction; however, County staff are not yet comfortable permitting such systems.
- 7.2 District Counsel – Bob Bosso stated he has worked with staff on a variety of matters. The water meter at Whole Foods happens to be on their property and an agreement is being worked out.
- 7.3 General Manager – Ms. Brown reported on the following:
  - She was informed by Ralph Bracamonte, General Manager for Central Water District, that his Board had approved initiating discussions with the District about providing iron and manganese

treatment for Central's Cox Road wells so that interim water service could be provided to the District until desal is in place. Improvements to the intertie near the District's Rio Del Mar Estates Tank may be required. Research will be done by Central to evaluate water capacity of those wells. Several ideas regarding treatment are being explored. She complimented Mr. Bracamonte and his Board and the Groundwater Management Committee for wanting to discuss a regional approach to water resource management. President LaHue congratulated Ms. Brown for her ability to bring everyone together and to foster good relations. Ms. Brown acknowledged Mr. Bracamonte for his efforts as well and observed that cooperation and support between all the water agencies and the County is at an all time high.

- She and John Ricker, County of Santa Cruz Water Resources Division Director and Tim Carson, the Regional Water Management Foundation Manager for the Prop 50 Santa Cruz County region, met with State Water Resources Control Board (SWRCB) staff in Fresno in June. Every identified region in the State, interested in future water bond funding, had to complete a very detailed plan to justify the partners/region and explain the projects, and then meet with an SWRCB interview panel to review/discuss the region's plan. Regions must be pre-qualified to be eligible to apply for any future State grants.
- The part-time analyst position has been approved by the SEIU union representatives.
- She is on call for Federal Court jury duty and may have to be out a few days next week
- If any Director wants lumbar support for their chairs, please contact the Board Clerk, and she will email you a list of options

7.4 Work Plan & Special Assignments - Staff responded to questions from the Board regarding certain projects on the Work Plan.

Director Daniels stated he was supportive of obtaining water from Central Water District to supplement the District's water supply until desal comes on line; however, possibly Central could also provide water to the District during drought seasons when desal water would primarily be going to the City. Director Kriege mentioned Central's opportunity for recharge as another possible cooperative effort.

President LaHue stated he would like the customer billing to also include a District-wide average for water consumption besides just showing how much water the customer had used the previous year.

A brief discussion ensued. He stated he was glad to see that the project to have a search function on the District's website is expected to be completed by August 1 and he thanked the person responsible for that project. He also requested to have the Board see a sample of the restaurant and hotel water saving "tents."

## 8. WRITTEN COMMUNICATIONS AND CORRESPONDENCE

### 8.1 Request from Don Heichel to Agendize a Presentation and Board Action Re: Storm Water Contamination of Monterey Bay

Discussion ensued. The Board concluded that the concerns raised should be addressed through the desalination project environmental impact report process.

MOTION: President LaHue; Second: Director Kriege: Not to agendize a presentation and Board Action Regarding Storm Water Contamination of Monterey Bay. The motion passed by a unanimous vote.

- Letter from District customer Dr. Cooley and the District Supervising Accountant Leslie Strohm's response (distributed with the packet). No discussion.
- Memorandum from ACWA's Nominating Committee calling for candidate nominations for the position of President and Vice President
- Newsletter of the Center for Integrated Water Research – UCSC featured article, *Regional cooperation on water supply: An end to water wars?*

**At 8:41p.m., President LaHue recessed the Open Session to convene the Closed Session.**

## 9. CLOSED SESSION

### 9.1 Conference with District Labor Negotiator to Give Direction Regarding Memorandum of Understanding with Mid-Management Employees Unit

**President LaHue reconvened to Open Session at 8:49 p.m.**

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

10. **ADJOURNMENT** - There being no further business, President LaHue adjourned the meeting at 8:52 p.m. to the next regularly scheduled meeting on August 4, 2009. (The regularly scheduled meeting of July 21, 2009 was previously cancelled.)

SUBMITTED BY:

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Denise Alexander, Board Clerk

APPROVED BY:

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Bruce Daniels, Vice President