

**SOQUEL CREEK WATER DISTRICT
REGULAR MEETING MINUTES
August 4, 2009**

1. Roll Call

Vice President Daniels called the Regular Session to order at 7:01 p.m.

Board Members Present:

Bruce Daniels, Vice President

Dan Kriege

Dr. Bruce Jaffe

Dr. Don Hoernschemeyer

Board Members Absent:

Dr. Thomas LaHue, President

Staff Members Present:

Laura Brown, General Manager

Bob Bosso, District Counsel

Jeff Gailey, Engineering Manager/Chief Engineer

Michelle Boisen, Financial/Business Services Manager

Taj Dufour, Operations & Maintenance Manager

Mike Wilson, Associate Engineer

Denise Alexander, Executive Assistant/Board Clerk

Staff Members Absent:

Ron Duncan, Conservation & Customer Service Field (CCSF) Manager

Others Present:

Sonny Wang and Dave Carlson with Black & Veatch

1 member of the public

2. APPROVAL OF MINUTES

July 7, 2009

Page 6 – Mr. Duncan responded to Directors Hoernschemeyer and Jaffe’s comments that the weather index for May ~~and June~~ was significantly lower this year and how that could have had an effect on the 19% reduction seen in water production for May.

MOTION: Director Kriege; Second: Director Jaffe: To approve the July 7, 2009 minutes as modified. The motion passed by a unanimous vote. President LaHue absent.
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3. ORAL COMMUNICATIONS

Director Hoernschemeyer inquired whether Seascope Greens share their water usage information with the District, and if so, would it be possible to have that information. General Manager Laura Brown did not know the answer to this question and will refer it to Ron Duncan, Conservation/Customer Service Field (CCSF) Manager upon his return.

Vice President Daniels noted an article in the Santa Cruz Weekly titled *Of Saltwater and Solar* that he thought was interesting. Copies will be made and sent to the Directors. He spoke to CCSF Manager Duncan about the complaints he received from several members of the public in the Seascope area that the County had not responded to their calls concerning a median strip where water has been running down the street for several weeks. He mentioned having attended a recent Basin Implementation Group (BIG) meeting to review the Annual State of the Basin Report for water year 2008 and several concerns/questions he has regarding data collection. A discussion ensued regarding whether the data collection on groundwater monitoring can be more consistent. Vice President Daniels referred to Figure 8 in the 2008 State of the Basin Update of hydrographs of Monitoring Well Cluster SC-17 near the Ledyard Well. He pointed out the significant variance in groundwater elevations reflective of whether the nearby well had been operating at the time the measurement was taken. The effect of tidal influences on coastal groundwater levels was also identified as a concern. The Board directed staff to agendize a discussion of groundwater monitoring with HydroMetrics LLC with the following questions to be discussed:

- 1) Are we currently collecting the correct data?
- 2) How could we utilize the data we have to provide more meaningful trend data?
- 3) How do we move forward with the installation of data loggers and water level transducers and get the most useful information out of it?
- 4) Is there any way that the non-producing/inactive wells can be made effective?
- 5) What do we want to do in terms of managing our groundwater basin and what kind of data might be best to do that?

Director Hoernschemeyer stated he had shared his data observations and concerns with the General Manager and HydroMetrics had provided a response. The Board requested receiving a copy of that response. Ms. Brown stated that the sustainable yield report by HydroMetrics LLC will be agendized soon and HydroMetrics' response could be provided and discussed at that time.

MOTION: Director Kriege; Second: Director Jaffe: To agendize a discussion with HydroMetrics LLC on groundwater monitoring in response to Director Hoernschemeyer's data observations/concerns when the sustainable yield report is given by HydroMetrics LLC at a future meeting. The motion passed by a unanimous vote. President LaHue absent.

Director Jaffe stated he attended the BIG meeting as well and he is seeing a lot of cooperation between the agencies. Compliments were extended to the General Manager on her efforts to foster cooperative working relationships with other agencies.

4. REPORT FROM CLOSED SESSION – July 7, 2009

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

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

5. PUBLIC HEARING

5.1 Aptos Pump Station Project - Public Hearing on Initial Study and Proposed Draft Mitigated Negative Declaration

Vice President Daniels opened the public hearing. No one was present for this item.

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

A brief discussion ensued regarding the design. Director Kriege recommended that the electrical wiring be located inside the structure with the meter box outside.

6. ADMINISTRATIVE BUSINESS

Item 6.6 was heard at this time to accommodate representatives from Black & Veatch who were present to speak on this item.

- 6.1 Will Serve Water Service Application for Bob Dumont, 1030 41st Ave., Santa Cruz Commercial Office Building, APN 033-112-27

Engineering Manager Jeff Gailey stated that the WDO requirement of 0.152 acre feet was incorrectly calculated and the new adjusted requirement is **0.1653** acre feet. He responded to questions from the Board.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the Retail Office Space Building at 1030 41st Avenue in Santa Cruz, APN 033,122-27. The motion passed by a unanimous vote. President LaHue absent.

- 6.2 New Water Service Connections for Rob Stuart, 6195 Soquel Drive, Aptos, APN 037-141-61, 62 & 63

MOTION: Director Hoernschemeyer; Second: Director Jaffe: To Authorize the District's standard water connections to be installed for Rob Stuart at 6195 Soquel Drive in Aptos, APN 037-141-61, 62 & 63. The motion passed by a unanimous vote. President LaHue absent.

- 6.3 Vienna Woods Main Replacements Project, Adopt Plans & Specifications and Call for Bids

Mr. Gailey stated that the project's plans were displayed on the wall. He responded to questions from the Board.

MOTION: Director Jaffe; Second: Director Kriege: To approve **Resolution No. 09-30** for plans and specifications and **Resolution No. 09-31** setting prevailing wages and calling for bids for the Vienna Woods Main Replacements Project, CWO 09-107. The motion passed by a unanimous vote. President LaHue absent.

- 6.4 Approve Purchase Order over \$5,000 for Seacliff Area Main Replacements Project, Phase II – Transfer Road Slurry Sealing Funds to Santa Cruz County Public Works

MOTION: Director Hoernschemeyer; Second: Director Kriege: To authorize the General Manager to sign a purchase order in the amount of \$49,088.00 for the Santa Cruz County Public Works to complete the Cal-Trans Type II Slurry Sealing on the Seacliff Area Main Replacements Project, Phase II, CWO 08-042. The motion passed by a unanimous vote. President LaHue absent.

- 6.5 Seacliff Area Main Replacements Project, Phase II, Approve Change Order No. 4 and Grant Final Acceptance

MOTION: Director Jaffe; Second: Director Hoernschemeyer: To adopt **Resolution No. 09-33** approving Change Order No. 4 for a contract deduction of <\$71,870.40> and to accept the Seacliff Area Main Replacements Project, Phase II as complete and file the Notice of Completion, CWO 08-042. The motion passed by a unanimous vote. President LaHue absent.

- 6.6 Accept Final Report on Water Recycling Facilities Planning Study Prepared by Black & Veatch

Mr. Gailey introduced Sonny Wang and Dave Carlson with Black and Veatch who responded to questions from the Board.

Discussion ensued. The Board concluded that in order to pursue a Satellite Reclamation Plant project with the Seascope Golf Course, grant funding for the design, EIR and construction would be needed and to evaluate any potential impact reclaimed water might have on water quality of a downstream well.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To accept Black & Veatch's Water Recycling Facilities Planning Study Final Report, June 2009 as complete. The motion passed by a unanimous vote. President LaHue absent.

The Board thanked the Black & Veatch representatives for coming and extended compliments for a good report.

- 6.7 *This item was pulled from the agenda*

- 6.8 Approve Utility Agreement for County of Santa Cruz Public Works, Daubenbiss Avenue Improvements Project, Soquel Drive, Soquel

Mr. Gailey stated that the purchase order amount under Recommended Board Action in the second motion of the staff report should be \$14,280. Vice President Daniels stated that the authorization to sign the Utility Agreement with the County should be changed from President to Vice President in the first motion.

MOTION: Director Jaffe; Second: Director Kriege: To authorize the Board Vice President to sign a Utility Agreement with the County of Santa Cruz Public Works Department in the amount of \$14,280 for the Daubenbiss Avenue Improvement Project and to authorize the General Manager to sign a purchase order in the amount of \$14,280 for the County of Santa Cruz to raise water valves on the Daubenbiss Avenue Improvement Project. The motion passed by a unanimous vote. President LaHue absent.

6.9 *This item was pulled from the agenda*

6.10 Approval of Consultant Services for Information Technology (IT) Management

Financial and Business Services Manager Michelle Boisen provided a brief overview of the staff report and responded to questions from the Board. Staff will initiate further discussions with IT Management regarding *Desktop related Managed Services* on page 4 of the agreement concerning the availability of remote use after 9:00 p.m. and to add a clause under *Server related Managed Services (h)* on page 3 that would ensure SCADA access 24 hours a day.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To accept the Managed Services Agreement with Exceedio at a cost not to exceed \$49,212 as modified. The motion passed by a unanimous vote. President LaHue absent.

6.11 Approval of Consultant Services to Update Water Capacity Fee

MOTION: Director Jaffe; Second: Director Kriege: To accept the Water Capacity Fee Update Services proposal from Municipal Financial Services at a cost not to exceed \$12,000. The motion passed by a unanimous vote. President LaHue absent.

6.12 Claim of Damage, Carole Turner, 7104 Viewpoint Road, Aptos, Damaged Toilet

MOTION: Director Kriege; Second: Director Hoernschemeyer: To deny the subject claim and forward to JPIA for review and resolution. The Motion passed by a unanimous vote. President LaHue absent.

6.13 Resolution Amending Blanket Resolution No. 08-08 for Authorized Signatories on Deposit Accounts

MOTION: Director Hoernschemeyer; Second: Director Jaffe: To adopt **Resolution No. 09-32** amending Resolution No. 08-08 authorizing signatories for the District's Deposit Accounts at Santa Cruz County Bank. The motion passed by a unanimous vote. President LaHue absent.

6.14 Vehicle Replacement Policy

Operations & Maintenance Manager Taj Dufour responded to questions from the Board.

The following changes to the proposed policy were made:

Proposed Vehicle Replacement Criteria

4. Fuel economy –
 - a. ~~Replace with new vehicle if 20% fuel economy can be realized~~
Consider a new vehicle if significant fuel economy can be realized
5. Mileage –
 - b. ~~Mandatory~~ **Consider** replacement **of vehicles** at 150,000 miles (except Diesel vehicles)
8. Cost/benefit analysis for major repairs such as those listed –
When repair costs exceed 50% a **significant percentage** of the vehicle's "Blue Book" fair market value, the vehicle **may** be replaced.

MOTION: Director Jaffe; Second: Director Kriege: To adopt the Vehicle Replacement Policy as modified. The motion passed by a unanimous vote. President LaHue absent.

6.15 Approve Purchase of Three Utility Trucks for Operations & Maintenance

Mr. Dufour acknowledged that the 2001 Dodge 2500 truck had been the primary vehicle under scrutiny for replacement at the last Board meeting. A reiteration of information in the staff report to support replacement was given.

MOTION: Director Kriege; Second: Director Jaffe: To approve the purchase from North Bay Ford for one 2009 Ford Ranger Utility Truck, and two 2010 Ford F-350 Utility Trucks as specified in the attached quotes. The motion passed by a unanimous vote. President LaHue absent.

- 6.16 Authorize an Agreement with HydroMetrics LLC to Prepare Redevelopment Specifications and Construction Oversight for Estates Well

Mr. Dufour responded to questions from the Board.

Director Jaffe proposed including a contingency that Martin Feeney, Consulting Hydrogeologist, provide concurrence with HydroMetrics' recommendation to attempt to physically rehabilitate the well. The Board concurred.

MOTION: Director Jaffe; Second: Director Kriege: To authorize the General Manager to execute the standard consultant agreement with HydroMetrics LLC to complete the scope of work specified, contingent upon concurrence by Martin Feeney, and to provide field oversight during redevelopment of Estates Well for an amount not to exceed \$28,000. The motion passed by a unanimous vote. President LaHue absent.

- 6.17 Estates Treatment Plant Recoating Project, Approve Change Order No. 1 and Grant Final Acceptance

MOTION: Director Jaffe; Second: Director Kriege: To adopt **Resolution No. 09-34** approving Change Order No. 1 in the amount of \$4,290.75 for the Estates Treatment Plant Exterior Recoat Project and to accept the Estates Treatment Plant Exterior Recoat Project as complete and file the Notice of Completion, CWO 09-104. The motion passed by a unanimous vote. President LaHue absent.

- 6.18 Vista Del Mar Booster Station Site Improvements Project, Grant Final Acceptance

MOTION: Director Jaffe; Second: Director Kriege: To accept the Vista Del Mar Booster Station Site Improvements Project as complete and file the Notice of Completion, CWO 09-110. The motion passed by a unanimous vote. President LaHue absent.

- 6.19 Rosedale Well Treatment Plant Interior Recoat and Media Replacement Project, Grant Final Acceptance

MOTION: Director Kriege; Second: Director Jaffe: To accept the Rosedale Well Treatment Plant Interior Recoat and Media Replacement Project as complete and file the Notice of Completion, CWO 09-149. The motion passed by a unanimous vote. President LaHue absent.

- 6.20 Response to Santa Cruz Local Agency Formation Commission (LAFCO) Re: 2008-09 Grand Jury Report Titled "Who is Watching Our Special Districts"

MOTION: Director Kriege; Second: Director Hoernschemeyer: To authorize the Board Vice President to sign the letter to LAFCO regarding the 2008-09 Grand Jury's Report Titled "Who is Watching Our Special District." The motion passed by a unanimous vote. President LaHue absent.

- 6.21 Adopt Resolution Amending the Joint Exercise of Powers Agreement (JPA) between Soquel Creek Water District and Central Water District to Address Implementation of the Groundwater Management Plan

MOTION: Director Jaffe; Second: Vice President Daniels: To approve **Resolution No. 09-29** adopting First Amendment to the Joint Exercise of Powers Agreement (JPA) between Soquel Creek Water District and Central Water District. The motion passed by a unanimous vote. President LaHue absent.

- 6.22 Approve Scope of Work and Budget for HydroMetrics LLC to Prepare 2009 Annual Review and Report on the State of the Groundwater Basin

A brief discussion ensued regarding data collection. Ms. Brown noted that the County has just started a program to monitor certain private wells. Water level and water quality data is being collected. Director Kriege noted the importance of verifying that the data being collected is accurate, e.g. the well head elevation is measured.

MOTION: Director Kriege; Second: Vice President Daniels: To approve the Scope of Work and Budget for the 2009 Annual Review and Report to be prepared by HydroMetrics LLC. The motion passed by a unanimous vote. President LaHue absent.

6.23 Approve Emergency Water Service from Central Water District from August – October 2009

Ms. Brown provided an overview of the staff report and responded to questions from the Board.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To authorize the General Manager to purchase water on an emergency basis, subject to the terms as stated in the staff report, from Central Water District in an amount not to exceed \$26,000. The motion passed by a unanimous vote. President LaHue absent.

6.24 Approve Revisions to the Policy and Procedures for the Evaluation and Selection of Consultants

Ms. Brown provided an overview of the staff report. The following changes to the proposed policy were made:

Minor Work: Specialty Consultant – Fee Not to Exceed \$25,000

The General Manager (or management designee) will determine the need for specialty services on a given project, ~~ascertain~~ will select and use the most qualified consultant from data in the District's consultant prequalification file ...

Intermediate Work – Fee between \$25,000 & \$50,000

The General Manager shall be authorized to negotiate a contract with the top ranked firm to detail the scope of work and the amount of **reasonable** compensation.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To approve the revised Policy and Procedures for the Evaluation and Selection of Consultants as modified. The motion passed by a unanimous vote. President LaHue absent.

(a) Changes to the District's Purchasing Policy to Increase the General Manager's Purchasing Authority and the Dollar Threshold Requiring Formal Bids

Ms. Brown stated that one expenditure that comes up on a frequent basis involves emergency repairs or inspections. She recommended including a category that would authorize the General Manager to approve a not to exceed payment of \$25,000 for emergency well, pump and water main work.

MOTION: Director Jaffe; Second: Director Kriege: To authorize the change in the General Manager's Purchasing Authority from \$5,000 to \$10,000, increase the threshold requiring formal bids from \$12,000 to \$25,000, and to include a category for payment of emergency work, not to exceed \$25,000, and direct that the purchasing procedures be amended accordingly. The motion passed by a unanimous vote. President LaHue absent.

6.25 Desalination Task Force and Energy Issues

- a. Appoint Soquel Creek Water District Representative and Alternate to the scwd² Desalination Task Force

Director Daniels stated he would not be able to continue as the District's task force representative starting October 1.

MOTION: Director Kriege; Second: Vice President Daniels: To appoint Director Jaffe to serve as one of two District representatives on the scwd² Desalination Task Force starting October 1. President LaHue to remain as the alternate. The motion passed by a unanimous vote. President LaHue absent.

Vice President Daniels called for at break at 9:30 p.m. The meeting resumed at 9:37 p.m.

7. INFORMATION ITEMS

7.1 Status on Action Plan to Promote Curtailing Water Use

Copies of Production Reports for July 2009 were distributed to the Board. Mr. Dufour confirmed that pumping had been reduced by 6.5%.

On behalf of the CCSF Manager Ron Duncan who was not present, Ms. Brown reported that a postcard notice to Limit Water Use was mailed to 2,400 customers, both residential and commercial, who consumed 34 units or more of water. Staff will be personally contacting the restaurants and hotels and providing water conservation table top tents and room plaques to encourage patrons to conserve. Attempts are being made to schedule a presentation at the Santa Cruz Hotel & Lodging Association. Staff is continuing to rotate the *Reduce Water Use by 15%* signs. A positive response from customers who have seen the signs was received.

Vice President Daniels stated he was disappointed about the limited response to the flyer that was mailed to the restaurants and hotels/motels asking for their cooperation.

Staff responded to questions regarding Table 1 – Monthly Consumption by Use Type (Attachment 1).

8. STATUS REPORTS

- 8.1 Engineering – Mr. Gailey reported that there will be a Change Order No. 5 for paving for the Seacliff Area Main Replacement, Phase II project even though the project was accepted as complete. A pre-construction meeting was held today for the Barrett Way Main Replacement project. Consultant selection for design of the Polo Grounds Groundwater Treatment Plant project will start on August 6th. A person was selected to fill the Assistant Engineer position.
- 8.2 Conservation & Customer Service Field (CCSF) – Ms. Brown reported on the positive number of rebates for the month. Staff continues to see 1.6 gpf toilets in home surveys. The toilet retrofit installation program is going well. The plumbing contractor performing the toilet retrofits continues to receive compliments from customers. Offset credits were bought by a developer. MPG continues to install the AMR meters but is currently behind schedule. Staff has not yet received any information regarding the Bureau of Reclamation grant application.
- 8.3 Operations & Maintenance - Mr. Dufour stated that arrangements are being made to offer City of Santa Cruz certified maintenance workers the opportunity to work for the District on their furloughed Fridays. Our maintenance division is down by more than half due to medical and military leaves, and the crew is not able to keep up with the workload.
- 8.4 Income and Investment Report for June – Ms. Boisen reported that the weighted average yield on the District's investments dropped by 64 basis points from the prior month because funds were transferred from LAIF to a non-interest bearing account at Wells Fargo Bank.
- 8.5 District Counsel – Bob Bosso stated he had nothing to report.
- 8.6 General Manager – Ms. Brown reported that a few typos had been corrected in the 2008 Annual Basin Report. The final version is now on the District's website. Staff was not prepared to include the Draft

Sept/Oct. *What's On Tap* Newsletter with the packet. An electronic copy of the articles will be sent to the Board for review. Please let her know if any changes are suggested. She attended an event at Central Water District on Saturday to celebrate completion of a water-wise garden project installed by an Eagle Scout at Central's headquarters. The demonstration garden was impressive. A rummage sale was held by the District's Customer Service and Finance staff in the District's parking lot on Saturday, July 18, to benefit Second Harvest Food Bank. Enough money was collected to provide 11,500 meals. A copy of the check is being displayed in the front office lobby. A picture of the staff members involved was taken by a representative from Second Harvest to put in their newsletter. She will be out of the office for two weeks and will return on August 21.

- 8.7 Work Plan & Special Assignments – Ms. Brown responded to questions regarding Work Plan Item 1F – Integration with SqCWD System and the status of the sustainable yield report being done by HydroMetrics. Vice President Daniels requested that only updated status remarks be in italics.

9. WRITTEN COMMUNICATIONS AND CORRESPONDENCE

Letter from County of Santa Cruz Treasurer, Fred Keeley dated July 14, 2009 regarding Nomination and Appointment of Alternate to County Treasury Oversight Commission.

10. REPORT OF PAYMENT OF THE BILLS

- 10.1 June Warrants and May/June Credit Card Analysis

MOTION: Director Kriege; Second: Director Hoernschemeyer: To accept the June Warrants and May/June Credit Card Analysis as paid. The motion passed by a unanimous vote. President LaHue absent.

Vice President Daniels recessed the Open Session to convene the Closed Session at 10:16 p.m.

11. CLOSED SESSION

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

Vice President Daniels reconvened to Open Session at 10:30 p.m.

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

12. **ADJOURNMENT** - There being no further business, Vice President Daniels adjourned the meeting at 10:31 p.m. to the next regularly scheduled meeting on September 1, 2009. (The regularly scheduled meeting of August 18, 2009 was previously cancelled.)

SUBMITTED BY:

APPROVED BY:

Denise Alexander, Board Clerk

Bruce Daniels, Vice President