

**SOQUEL CREEK WATER DISTRICT
REGULAR MEETING MINUTES
December 15, 2009**

1. Roll Call and Teleconference

Director Jaffe: Handlery Union Square Hotel, 351 Geary Street, San Francisco, CA, (415) 781-7809

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. Bruce Jaffe
Dr. Don Hoernschemeyer

Staff Members Present:

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

Staff Members Absent:

Bob Bosso, District Counsel

Others Present:

John Gallagher, Bosso Williams District Counsel
1 member of the public

2. APPROVAL OF MINUTES

November 17, 2009

Director Kriege congratulated the Board Clerk for doing an excellent job on the minutes. The following changes were made:

Page 6, 2nd paragraph - ~~perk~~ **percolation** pond..

Page 7, 1st paragraph - ~~amount~~ **about** exploring ways ..

MOTION: Director Kriege; Second: Director Hoernschemeyer: To approve the November 17, 2009 minutes as modified. The motion passed by a unanimous roll call vote.
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3. ORAL COMMUNICATIONS

Director Kriege stated that a neighbor had told him he was impressed with the District employee who had responded to his call about a possible water leak and had meticulously demonstrated how to search for a leak. It's nice to hear a compliment about the good service being provided to our customers. Additionally, he felt the Employee Recognition event he attended last week was very nicely done.

Director Daniels stated that under these difficult economic times, he was glad that the District had decided to forego the employee gift. He attended a presentation the District's CCSF Manager Ron Duncan gave at a Blue Circle Group meeting. A hydrologist there with Pajaro Valley Water Management Agency informed him that the USGS had made progress in their effort to complete the groundwater model.

Director Hoernschemeyer stated he had attended a Santa Cruz County Board of Supervisors meeting earlier today where a member of the public stated concerns that the rubber fill in synthetic turf allegedly leaches toxic chemicals. He asked staff to research this issue.

Chris Mann, an Aptos resident who had attended the November 17th Board meeting stated he was present to learn more about the District's issues.

4. PUBLIC HEARING

None

5. ADMINISTRATIVE BUSINESS

5.1 Will Serve Water Service Application, Aptos Village Project, Aptos, APNs 041-011-33, 041-011-20 & 041-011-03

Engineering Manager Jeff Gailey noted that three sets of plans were displayed on the wall. He responded to questions from the Board.

MOTION: Director Hoernschemeyer; Second: Director Daniels: To authorize the District's standard letter indicating that the District will conditionally serve the Aptos Village Project located on three parcels next to Soquel Drive between Trout Gulch Road and the T-Hopkins Right-Of-Way in Aptos. The Water Demand Offset requirement will be recalculated using the final land use plan approved by the County. The motion passed by a unanimous roll call vote.

5.2 Annual Election of Officers by Board of Directors

Director Kriege stated he would be pleased to have President LaHue and Vice President Daniels continue to serve as the Board's President and Vice President. Directors Jaffe and Hoernschemeyer concurred.

MOTION: Director Kriege; Second: Hoernschemeyer: By unanimous voice vote, Director LaHue was reelected to serve as Board President and Director Daniels was reelected to serve as Board Vice President for 2010.

5.3 Review and Consider Compensation for District Directors According to Ordinance No. 92-1

MOTION: President LaHue; Second: Director Kriege: Not to adjust the current Board compensation. The motion passed by a unanimous roll call vote.

5.4 Cathedral Drive Main Replacements Project, Adopt Plans & Specifications and Call for Bids

Mr. Gailey noted the plans displayed on the wall. He responded to questions regarding the project.

MOTION: Director Daniels; Second: Director Kriege: To approve **Resolution No. 09-49** for plans and specifications for the Cathedral Drive Area Main Replacements Project and approve **Resolution No. 09-50** setting prevailing wages and calling for bids for the Cathedral Drive Area Main Replacements Project, CWO 08-032. The motion passed by a unanimous roll call vote.

5.5 Approve Property Purchase Option Extension for Aptos Pump Station Property, 9033 Soquel Drive, APN 041-061-04

MOTION: Director Jaffe; Second: Director Hoernschemeyer: To authorize the General Manager to sign a Memorandum of Contract of Purchase and Escrow Instructions and Addendum and the Addendum to Contract to Purchase for the Aptos Pump Station Property Purchase, APN 041-061-04., CWO 09-103. The motion passed by a unanimous roll call vote.

5.6 Vista Del Mar Tank Main Replacement, Bid Award

Mr. Gailey stated that Stoloski & Gonzalez, Inc. was the lowest bid received at \$100,370.00.

MOTION: Director Kriege; Second: Director Daniels: To reallocate funds in the amount of \$45,370 to be transferred from the Vienna Woods Main Replacement Project, CWO 09-107, to complete the Vista Del Mar Tank Main Replacement Project, CWO 09-126 and to accept the lowest qualified bidder and adopt **Resolution No. 09-51** for award of contract to Stoloski & Gonzalez, Inc. for the Vista Del Mar Tank Main Replacement Project, CWO 09-126. The motion passed by a unanimous roll call vote.

- 5.7 Consultant Agreement with HydroMetrics LLC for the Aptos Jr. High Well and Polo Grounds Well Drinking Water Source Assessment and Protection Plans

MOTION: Director Hoernschemeyer; Second: Director Kriege: To authorize the General Manager to sign a standard District consultant agreement with HydroMetrics to complete Drinking Water Source Assessment and Protection Program (DWSAP) consulting services for the Aptos Jr. High and Polo Grounds Well for an amount not to exceed \$10,000. The motion passed by a unanimous roll call vote.

- 5.8 Meter Replacement Project (Phase III), Adopt Plans & Specifications and Call for Bids

CCSF Manager Ron Duncan provided an overview of the staff report.

Director Kriege briefly mentioned the sentiment to reduce District spending that was stated in some of the protest letters he read regarding the proposed rate increases. He inquired about the benefits in moving forward with Phase III of this project.

General Manager Laura Brown proposed possibly tabling the project until further evaluation of project priorities and funding ability is reviewed at the upcoming budget workshop. Director Hoernschemeyer concurred stating it would be very helpful to have a cost/savings estimate at that time to better evaluate the project. A brief discussion ensued.

MOTION: Director Daniels; Second: President LaHue: To approve **Resolution No. 09-47** for plans and specifications and **Resolution No. 09-48** setting prevailing wages and calling for bids for the Meter Replacement Project (Phase III), CWO 10-033. The motion passed by a 4-1 roll call vote with Director Hoernschemeyer dissenting.

5.9 Approve Purchase of Leak Detection Equipment

Operations and Maintenance Manager Taj Dufour provided a brief description of how the equipment works, the benefits and the potential for recapturing unaccounted for water. He responded to questions from the Board.

Director Daniels suggested exploring the possibility of renting the equipment to other water agencies when not in use by the District. Mr. Dufour explained why that would not be practical.

Director Kriege stated that before the equipment is purchased, he would like to know how it would work with other District priorities and staffing. Mr. Dufour explained the estimated cost savings.

MOTION: President LaHue; Second: Director Hoernschemeyer: To authorize the purchase of Itron Zcorr Leak Detection System with 8 pods from National Meter and Automation, Inc. for \$19,000.00. The motion passed by a unanimous roll call vote.

Director Hoernschemeyer requested receiving an estimated cost/savings report.

5.10 Approve Request from Pringle Lane Road Association to Participate in Road Repairs

Mr. Dufour responded to questions from the Board.

MOTION: Director Daniels; Second: President LaHue: As a property owner on Pringle Lane, approve a voluntary payment of \$3,825 for trench repairs. The motion passed by a unanimous roll call vote.

5.11 Set Date and Time for a Board Workshop Regarding Modifications to the 2009/2010 Budget and Work Plan

MOTION: President LaHue; Second: Director Daniels: To schedule a three-hour Workshop to consider budget and work plan modifications on the regular meeting date of February 2 starting at 6:00 p.m. The motion passed by a unanimous roll call vote.

5.12 Desalination Task Force and Energy Issues (oral report)

Director Kriege reported that tomorrow's meeting had been cancelled; however, at the preceding meeting, the results of the pilot plant studies were discussed and the details are still being reviewed before a recommendation is given. At the next meeting in January, the

Operational Plan and Memorandum of Agreement should be finalized; the EIR consultant selected and the draft intake study report will be presented.

6. INFORMATION ITEMS

6.1 January/February What's On Tap Newsletter

Recommended changes to the newsletter were given.

7. STATUS REPORTS

7.1 Engineering – Mr. Gailey reported that the Vienna Woods Main Replacement project is now halfway complete due to weather setbacks and performance issues.

7.2 Conservation & Customer Service Field (CCSF) – Mr. Duncan provided an overview of the status report. He reported that the toilet installation project is on schedule; the new statewide Landscape Ordinance requirements are to be adopted by the cities and counties and that he would first like to collaborate with the other agencies before presenting staff's proposed modified regulations to the Board; the conservation program is being re-evaluated to determine the next best steps; presentations were given to a local homeowners association and the new District program, *Water Education Enforcement Patrol*, appears to have gotten their attention because staff's guidance to help with their irrigation issues was requested. Staff is currently evaluating Senate Bill 7 and will report on its impacts to the District. He reported on a debriefing meeting he attended with the Bureau of Reclamation staff as to why the District's Meter Grant Proposal was not selected.

7.3 Operations & Maintenance – Mr. Dufour provided an overview of the status report. The results of the Estates Well rehabilitation are expected to be completed soon. The results will be provided at the next meeting. Maplethorpe Booster Station is back on line after a new pump and motor were installed. Notices regarding the bacteriological MCL violation and that follow-up water sampling tested safe are being mailed out over the next two months with the December and January billings.

7.4 Income and Investment Report for October and November - Financial Business Services Manager Michelle Boisen briefly reported on the District's investments, specifically at Wells Fargo and Comerica Bank. More details will be provided at the January workshop. A brief discussion ensued. The new Customer Service webpage that allows customers to pay their bill online appears to be working very well;

however, the tiers and consumption are not shown on that bill. A ten-year history consumption link was turned off at the recommendation of District Counsel Bob Bosso. Currently 200 customers have signed up to take advantage of the online payment service; 24 of those have opted not to receive a paper bill which would provide consumption use and tiers. Director Daniels noted the importance of customers having that information to encourage conservation. He suggested discontinuing the opt out option and to send all customers a paper bill.

7.5 District Counsel – John Gallagher with Bosso Williams stated he had nothing to report.

7.6 General Manager – Ms. Brown reported on the following:

- The meeting she attended with the City of Santa Cruz yesterday where a decision was made to obtain more details regarding possible opportunities to receive stimulus funding for the desalination plant
- A meeting will be held tomorrow with the Integrated Regional Water Management steering committee to discuss an opportunity for supplemental Prop 50 money that is only being made available for partially funded IRWM grant recipients.
- The big topics at the ACWA conference she attended were the statewide water issues i.e., the cost of developing water supply; funding for new projects, particularly desalination, and the Governor spoke on the \$11 billion bond the state is trying to pass. She also had an opportunity to meet with the District's hydrologist Derrik Williams with HydroMetrics LLC to discuss and share information
- She and Mr. Williams will be meeting with John Ricker, Santa Cruz County Environmental Health Services and Ralph Bracamonte, Central Water District tomorrow to discuss interagency coordination and participation in developing a recharge model for the Soquel/Aptos area. The USGS has also proposed preparing a precipitation runoff and recharge model for hydrologic basins in the county that will utilize a climate change scenario in conjunction with local data.
- She will be hosting a dessert break on Thursday in the District's field break room from 3:00-4:00 p.m. to thank the employees for their support. All directors are invited.

7.7 Work Plan & Special Assignments – nothing further was discussed.

8. WRITTEN COMMUNICATIONS AND CORRESPONDENCE

- 8.1 a. Memorandum from District Counsel Robert E. Bosso.
- b. Correspondence to the General Manager Ms. Brown from Mr. Frank Vitale dated 12-9-09 regarding the requirement to install a new water meter for his ADU unit and Ms. Brown's response.
- c. Letter from an Arizona State University student Garrett Ives providing his opinions on desalination and alternative ways to conserve water.

9. REPORT OF PAYMENT OF THE BILLS

- 9.1 October and November Warrants and September/October and October/November Credit Card Analysis

MOTION: Director Kriege; Second: Director Daniels: To accept the October and November Warrants and September/October and October/November Credit Card Analysis as paid. The motion passed by a unanimous roll call vote.
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At 8:28 p.m., President LaHue recessed the Open Session to convene the Closed Session.

10. CLOSED SESSION

- 10.1 Personnel Matter – Approve extension of family medical leave for one employee
- 10.2 Threatened Litigation: Charge of Discrimination Filed with Equal Employment Opportunity Commission Regarding Hiring Practices, Government Code Section 54956.9 (oral report)
- 10.3 Conference with District Labor Negotiator to Give Direction Regarding Memorandum of Understanding with Management Employees
- 10.4 General Manager's Performance Review (oral report)

President LaHue reconvened to Open Session at 10:14 p.m.

- 10.1 President LaHue reported that the Board had approved extending family medical leave to one employee.
- 10.2 District legal counsel briefed the Board on this claim. No action was taken.
- 10.3 President LaHue reported that the Board gave direction to the labor negotiator regarding the MOU with management employees.
- 10.4 The Board completed the General Manager's performance evaluation.

11. **ADJOURNMENT** - There being no further business, President LaHue adjourned the meeting at 10:15 p.m. to the next regularly scheduled meeting on January 19, 2010. (The regularly scheduled meeting of January 5, 2010 was previously cancelled).

SUBMITTED BY:

APPROVED BY:

Denise Alexander, Board Clerk

Thomas LaHue, President