

**SOQUEL CREEK WATER DISTRICT
MEETING MINUTES
March 21, 2006**

1. **ROLL CALL**

President Daniels called the Regular Session to order at 7:05 p.m.

Board Members Present:

Bruce Daniels, President
Thomas LaHue, Vice President
Bruce Jaffe
Dan Kriege

Board Members Absent:

Jack Beebe

Staff Members Present:

Laura Brown, General Manager
Robert Stevens, Assistant General Manager
Bob Bosso, District Counsel
Jeff Gailey, Engineering Manager
Ron Duncan, Conservation Coordinator
Denise Alexander, Executive Assistant/Board Clerk

Staff Members Absent:

Gary Lamprecht, Operations & Maintenance Manager

Others Present:

1 member of the public

2. **APPROVAL OF MINUTES**

The draft minutes of February 21, 2006 were presented for approval.

MOTION: President Daniels; Second: Director LaHue: To approve the minutes of February 21, 2006 as presented. The Motion passed unanimously, with Director Kriege abstaining.
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The draft minutes of March 7, 2006 were presented for approval. The following modification was made under Teleconference Location: Director Jaffe did not participate. ~~via teleconferencing as his attendance was not needed to ensure a quorum.~~

MOTION: Director Kriege; Second: Director LaHue: To approve the minutes of March 7, 2006 as modified. The motion passed unanimously, with Director Jaffe abstaining.

3. ORAL COMMUNICATIONS

President Daniels apprised the Board that he has requested a review of the District's water waste policies be put on the next agenda.

In response to an inquiry from Director Kriege, Assistant General Manager Bob Stevens stated that the District is in the process of discouraging customer payment by credit card and encouraging direct debit as the preferred payment option, which is more cost effective. Access to pay online by direct debit will be available in approximately one month and customers will be notified at that time. A brief discussion ensued regarding the advantages associated with paying by direct debit. The Board requested staff to provide information on the public outreach plan for online payments.

4. PUBLIC HEARINGS

None

5. ADMINISTRATIVE BUSINESS

- 5.1 New Water Service Connection Application for Lindsay Bell, 3-lot Minor Land Division, 3455 Maplethorpe Lane, Soquel, APN 037-061-58

MOTION: Director Kriege; Second: President Daniels: To authorize two of the District's standard combination water connections to be installed for Lindsay Bell at 3455 Maplethorpe Lane in Soquel, APN 037-061-58. The motion passed by a unanimous vote.

- 5.2 Well Master Plan

- a. Approve Well Master Plan Preferred Alternative for Evaluation in an Environmental Impact Report (EIR)

General Manager Laura Brown stated that "Daubenbiss Avenue" was inadvertently omitted on line 1 (d) under Facility Needs at Each Site on page 6 of the staff report.

Ms. Brown explained that the five preferred locations for the four new wells identified in the Well Master Plan are distributed throughout the Purisima Formation and best meet the criteria for developing new wells, with the Cunnison and Austrian sites being

the most uncertain. All of the other identified sites had shortcomings. The Maplethorpe, Monterey and Aptos Creek Wells will eventually be permanently shut down, and the four new replacement wells will have the capacity to meet anticipated peak demand. New wells in the Aromas aquifer were not considered due to the already impacted groundwater conditions in that area. The estimated cost to construct a new well and treatment plant required for three out of the four preferred wells is approximately \$1 million. If the preferred alternative for the Well Master Plan is adopted, construction of the first new well could start in approximately one year, after the EIR process is completed.

Director LaHue stated he liked the layout of the maps and the assessments of each site were helpful. He questioned whether consideration should be given to include additional conveyances between the service areas to provide more flexibility. Ms. Brown responded that connecting the wells to the existing system will be addressed in the EIR but the full District intertie analysis will be done later when the desalination project is being designed.

Engineering Manager Jeff Gailey briefly commented on the conveyance issues associated with some of the preferred well sites being proposed. He stated that connecting the service areas has always been a goal and the desalination project will get that going.

Director Kriege stated that a large pipeline will have to be built to bring the supplemental desalination water to the District and, once that's in place, we might not have to drill as many new wells. He would like the Well Master Plan to emphasize issues other than individual service area capacity. The proposed run time, well depths, and the elevation of the preferred sites should be addressed in the Well Master Plan. Additionally, he reiterated that the developers should be approached about providing land for a potential well site.

Discussion ensued regarding whether to include the interconnection aspect to move the water from the various service areas. Ms. Brown pointed out that the preferred alternative considered spacing between individual well sites, the viability/condition of the District's existing wells, limited well sites, and groundwater management through distribution of pumping, in addition to peak demand capacity needs.

Director Kriege stated he would approve the preferred alternative being proposed but would like the EIR to expand on the concept of moving water throughout the system rather than focusing on the four separate service areas.

Director Jaffe commented that the site analysis didn't discuss potential environmental impacts. Staff responded that obvious issues such as noise had been noted, but the EIR would include site specific environmental review.

MOTION: Director LaHue; Second: Director Kriege: To approve the preferred alternative for the Well Master Plan to be evaluated in an Environmental Impact Report. The motion passed by a unanimous vote.

- b. Approve the Scope of Services for Environmental Science Associates (ESA) to Prepare the Well Master Plan Environmental Impact Report (EIR)

The Board stated they were very pleased with the work ESA has been doing for the District.

MOTION: Director Kriege; Second: Director LaHue: To approve the Scope of Services as presented by ESA for preparation of the Well Master Plan Environmental Impact Report (EIR) and authorize the Board President to execute the District's Standard Consulting Agreement for an amount not to exceed \$116,000, CWO 06-31. The motion passed by a unanimous vote.

MOTION: Director LaHue; Second: Director Jaffe: To authorize Staff to consult with specialized CEQA counsel as part of the EIR development process on an as needed basis. The motion passed by a unanimous vote.

5.3 Regional Desalination Project – Initial Discussion of Process and Governance Issues and Concepts

L. Brown recommended that the discussion focus on: 1) whether all the issues were identified in the staff report, 2) the level of involvement the Board wants to have in the plant design and the various assessments and studies that need to be completed with regard to design, type of filtration, intake and outflow, etc., and 3) evaluating funding options.

B. Stevens stated that how the Board decides to proceed with funding the District's participation in the desalination project should be decided soon. He apprised the Board on the information the District's financial consultants, Bartle & Wells provided on the legal requirements for bond financing and stated that various options could be presented to the Board by Bartle & Wells, if desired.

President Daniels requested agendaizing a presentation by Bartle & Wells to discuss the funding options. The Board concurred.

Under Public Outreach in the staff report, Director LaHue suggested adding educating the public and receiving public comments.

President Daniels stated that energy/operational costs to run the plant are a concern as the District would be using the plant 90% of the time.

Discussion ensued regarding: hiring a technical expert to represent and advise the District; forming a Joint Powers Authority (JPA) versus a Steering Committee; governance and operation issues, and having a dedicated project manager to oversee the project with the cost being split between the two agencies.

The Board concurred that their preference is to form a JPA and possibly have the JPA hire a project manager. Staff will begin discussing that possibility and how it would be structured with city staff.

Director Jaffe stressed the importance of knowing exactly when the District would be using the plant. Discussion ensued. L. Brown stated that drought/post drought groundwater management listed under the Operating Agreement topic in the staff report would address the triggers that would determine when each agency would have use of the plant. She added that the city's Deputy Water Director, Linette Almond, had suggested the possibility of designing the plant with one 1.25 million gallon/day (MGD) train and two smaller .75 MGD trains. The amount of water the District would need is less than half of the plant's capacity and this design would have the option to run only one or both of the .75 MGD trains, providing flexibility depending on the need.

L. Brown stated she would informally inquire about available experts who could serve as advisors to the District.

Director Kriege reiterated the direction of forming a JPA that the Board stated they would like to go and asked the General Manager to discuss this concept with the city's Water Director, Bill Kocher.

5.4 Letters of Support for the City of Santa Cruz's Application for Grant Funds Under Proposition 50, Chapter 6: Desalination Construction Projects; Research and Development; Feasibility Studies; Pilot and Demonstration Projects

Director Kriege proposed that the District encourage public outreach, such as Kiosks along the coast, regarding these studies. President Daniels noted that the applications include public outreach.

Director Jaffe apprised the Board that he knows Dr. Jeffrey Paduan of the Naval Post Graduate School who will be partnering with the City of Santa Cruz to demonstrate the use of HF Radar for mapping source water for ocean desalination. He noted that the current flow at the intake depth could be very different from surface currents mapped by radar. He's supportive of the project but urges the study to address differences between surface and bottom currents.

MOTION: Director LaHue; Second: Director Kriege: To authorize the Board President to execute letters of support for the City of Santa Cruz's grant applications for projects to optimize intake design and model hydrodynamics of the seawater intake for the proposed regional desalination project as presented. The motion passed by a unanimous vote.

5.5 Aptos Jr. High Well & Treatment Plant, Approve Change Order No. 1

J. Gailey stated that additional work is needed to replace rotten redwood rafters tails and mudsills in the roof of the wash water basin and vent screens need to be installed to allow air to circulate to prevent any future dry rot. The total amount to complete the additional work is \$25,775.74 and the adjusted contract amount is \$653,385.74.

MOTION: Director LaHue; Second: Director Jaffe: To adopt Resolution No. **06-06** approving Change Order No. 1 in the amount of \$25,775.74 for the Aptos Jr. High Well & Treatment Plant Modifications, CWO 03-122. The motion passed by a unanimous vote.

- 5.6 Approve Purchase Order in Excess of \$5,000 for the Electrical Engineering Services at Aptos Jr. High Well & Treatment Plant Modifications Project

MOTION: Director Kriege; Second: Director LaHue: To ratify the General Manager's actions and approve an expenditure of \$9,750 for the electrical engineering services provided by Central Pacific Engineering Inc. for the Aptos Jr. High Well & Treatment Plant Modifications, CWO 03-122. The motion passed by a unanimous vote.

- 5.7 Subdivision Agreement for Clifford Bixler and Peregrine Properties, LLC, 12-Unit Condominium Project, Soquel Drive & Mar Vista Drive in Aptos, Grant Final Acceptance, APN 039-182-06

MOTION: President Daniels; Second: Director Jaffe: To grant final acceptance for the 12-Unit condominium project located at Soquel Drive & Mar Vista Drive in Aptos for Peregrine Properties, LLC, APN 039-182-06, CWO 05-131. The motion passed by a unanimous vote.

- 5.8 Authorize Attendance at Association of California Water Agencies (ACWA) Spring Conference and Joint Powers Insurance Agency (JPIA), May 8-12, 2006, Monterey

MOTION: Director Jaffe; Second: Director Kriege: To authorize attendance by Staff and Board Members at the JPIA Meeting and ACWA Spring Conference in Monterey, May 8-12, 2006. The motion passed by a unanimous vote.

- 5.9 Claim of Damage: McKenzie and Kelly Kay, Santa Cruz

District Counsel Bob Bosso apprised the Board of the conversation he had with the claimant's attorney.

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

6. INFORMATION ITEMS

None

7. STATUS REPORTS

- 7.1 Engineering – J. Gailey stated he had a slide show of the work being done at the Aptos Jr. High Well & Treatment Plant Project to present if the Board was interested. It was decided to display the slides at a subsequent meeting.
- 7.2 Income and Investments – Assistant General Manager Bob Stevens stated that the revised Tier 2 Water Rate Analysis that was distributed to the Board, shows the usage between 30-50 units and above 50 units, attached as **Exhibit A**.
- 7.3 District Counsel – B. Bosso stated that other than the conversation he had with the claimant's attorney regarding the personal injury claim, he had attended a water law seminar put on by County Counsel's Office with Ms. Brown, attorney John Gallagher and President Daniels. The seminar provided a basic overview of water rights and current water issues in California.
- 7.4 General Manager – L. Brown reported on the following:

A resolution has been reached on the Seascape Golf Course well permit. She and B. Bosso were asked by the Golf Course's attorney to approve some modifications to the well permit before submitting it to the County for approval. Because the District is not a party to the well permit, a separate confidentiality agreement on the collection and use of the well data by the District will be drafted.

The Northern Santa Cruz County Integrated Regional Water Management Plan (IRWMP) ranked sixth out of the sixteen candidates selected to submit grant applications under Proposition 50, Chapter 8. Forty grant applications were submitted. The partner agencies submitted a request for funds of \$32,209,284. Notification was given that the grant applications were being limited to \$25,000,000. A meeting will be scheduled to discuss the process for deciding which projects to cut to reduce the application by \$7,000,000, to start the process for completing the grant application, and to develop a contract for continuing consultant services for Monica Reid with Kestrel Consulting. John Ricker, Karen Christensen and Ms. Brown, as the IRWMP Steering Committee, have proposed to meet with President Daniels and Director Jaffe to discuss their concerns with the Draft Integrated Regional Water Management Plan before revisions are made.

She reminded the Board that the Conflict of Interest Forms are due to the County by April 3, 2006.

8. **WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

None

9. **ADJOURNMENT** - There being no further business, President Daniels adjourned the meeting at 8:47 p.m. to the next scheduled meeting on April 4, 2006.

SUBMITTED BY:

APPROVED BY:

Denise Alexander, Board Clerk

Bruce Daniels, President