

**SOQUEL CREEK WATER DISTRICT
MEETING MINUTES
April 4, 2006**

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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
Dan Kriege
Jack Beebe
Bruce Jaffe

Staff Members Present:

Laura Brown, General Manager
Bob Bosso, District Counsel
Jeff Gailey, Engineering Manager
Gary Lamprecht, Operations & Maintenance Manager
Ron Duncan, Conservation and Customer Service Field Manager
Vaidehi Campbell, Conservation Education Coordinator
Denise Alexander, Executive Assistant/Board Clerk

Staff Members Absent:

Robert Stevens, Assistant General Manager

Others Present:

Bill Kocher and Linette Almond, Santa Cruz City Water Department

2. APPROVAL OF MINUTES

Approval of the March 21, 2006 draft minutes was presented for approval.

The following modification was requested by Director Jaffe on page 6, Item 5.4: Director Jaffe apprised the Board that he knows Dr. Jeffrey Paduan of the Naval Post Graduate School ~~and UCSC~~ 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 ~~skeptical about its success~~. ***urges the study to address differences between surface and bottom currents.***

MOTION: Director LaHue; Second: Director Kriege: To approve the minutes of March 21, 2006 as modified. The motion passed by a unanimous vote with Director Beebe abstaining.

3. ORAL COMMUNICATIONS

Director Kriege stated that the ACWA Region 5 Meeting he and General Manager Laura Brown had attended on April 2-3, 2006 at the Hilton in Scotts Valley was very enlightening and enjoyable. The program included the topic of desalination and the desalination plant Pajaro Sunny Mesa is attempting to build in Moss Landing was discussed. He stated he was pleased to hear that the City of Santa Cruz had figured out a way to realize a net zero energy demand for the period of time they would be operating the desalination plant. Energy cost is a big public concern and he encouraged the Board to take a look at the possibility of offsetting energy use with solar panels on reservoirs.

Director Jaffe stated his child attends the Mar Vista Elementary School and he recently spoke to the principal who expressed his thanks to the District for helping to identify a problem they were having with bacteria and their hot water heater. Additionally, he inquired about whether the school would receive water service during emergency situations because the school has been designated an emergency center. Director Jaffe requested agendaizing an informational item in the near future regarding the District's emergency plan and whether emergency centers in the District's service area would be able to get water and to know how the District coordinates with other disaster relief agencies when an emergency has been declared.

4. PUBLIC HEARINGS

None

5. ADMINISTRATIVE BUSINESS

- 5.1 Presentation by City of Santa Cruz Water Dept. to provide update on the desalination project and hear Board member concerns/ideas

Bill Kocher, Water Director, and Linette Almond, Deputy Water Director and project manager with the City of Santa Cruz, stated they were present to answer questions from the Board about the City's progress and plans for the desalination project. Mr. Kocher stated that the city has been focusing on the technical aspect of the pilot plant and the permit application process with the Coastal Commission. He introduced Ms. Almond who provided an overview of the project's

schedule stating that it's the best possible schedule they have at this time. She stated that some of the assumptions in the timeline are not realistic and the short time frames will most likely take longer. She apprised the Board that the city has been awarded a \$2 million grant for a \$4 million pilot study. Camp, Dresser and McGee was hired and they are in the process of setting up the protocol for testing and finalizing the coastal development permit application. The UCSC Marine Science campus has been selected to site the new pilot plant; however, the university is also in the process of applying to the Coastal Commission for approval of their long range development plan and, because the pilot study is indirectly a part of that plan, (the foundation will remain after the testing period for future use) it has become complicated. She speculated that construction of the pilot plant will start late spring or early summer depending on when they receive approval from the Coastal Commission. The pilot study will take one year and midway through the study a design and environmental services firm will be hired for the project level EIR.

L. Brown stated that the District has submitted a grant application to receive funding under Chapter 8 of the Proposition 50 Water Bond for projects identified in an Integrated Regional Water Management Plan (IRWMP). One of fourteen projects identified in the IRWMP is the regional desalination project and, if successful, approximately \$1.3 million in grant money would be received toward the engineering design costs of the full-scale plant.

President Daniels expressed concern about starting to design the plant before testing was completed and if the design could be modified to incorporate the results of the pilot into the final system, specifically utilizing new technology to reduce energy and to remove boron. Ms. Almond stated that the main focus of the pilot study is water quality, and she estimated the design process will probably take two years. The study will provide information regarding proper pre-treatment and how to optimize the design for water quality. One component of the study will look at new technology to reduce energy use.

In response to an inquiry from Director Jaffe, Ms. Almond acknowledged that seawater varies significantly with location and sampling will be done at both the pilot and permanent intake locations. A watershed sanitary survey will be done which will be important in terms of water quality because it will identify the types of contaminants that could be found in the seawater source water.

Director Jaffe recommended allowing enough flexibility in the design to handle all possible contaminants that could show up during a longer cycle, even if not detected during the one year study.

Director Jaffe encouraged the city to contact Dr. Jeffrey Paduan of the Naval Post Graduate School who has studied surface data of this type and Kurt Storlazzi at UCSC who has already collected data on the deep currents and the direction of larvae migration because it will save testing time and would be beneficial to integrate all available data.

Director Kriege and President Daniels stated that the Board discussed wanting a partnership with the city where both sides are cooperating equally because the District's ongoing partial plant use will essentially equal that of the city and operational considerations may differ.

Director Kriege stated that the Board does not feel that all five Board members need to necessarily be involved in every decision and the Board's preference is to form a Joint Powers Authority (JPA) that could make decisions beginning at the design stage. A brief discussion ensued regarding the advantages of limiting the JPA to four members comprised of two city council members and two board members as opposed to including a fifth member.

Ms. Brown stated she recently was informed that Dublin San Ramon Services District and East Bay MUD had formed a four member JPA eight years ago to do a joint reclamation project with similar issues.

President Daniels stated it is advantageous to take a regional approach when dealing with regulatory and funding agencies.

Director Kriege briefly mentioned the idea being considered by the Board to hire an expert who could serve as a technical advisor to the District.

Mr. Kocher commented that so many decisions will need to be made along the way and agreed that a JPA may be the best course of action and would allow each decision to be made based on potential impact for both the City and the District.

A discussion ensued regarding forming a JPA.

Ms. Brown stated she would request a copy of the JPA agreement used by East Bay MUD for their recycled water project and then staff and both legal counsels could decide whether it could be used as a model to

draft a JPA between the City and the District for the desalination project.

Mr. Kocher stated he will inform the city council members of the Board's preference to form a JPA and will advise the Board when the item is agendaized for discussion to direct staff to investigate and develop concepts for a JPA.

The Board thanked Mr. Kocher and Ms. Almond for attending and providing an update on the desalination project.

- 5.2 Conditional "Will Serve" Water Service Application for Goldrich, Kest, Hirsh & Stern, Capitola Gardens Apartments, 1745 46th Avenue, Capitola, 40 new apartment units added to existing apartment complex, APN 034-124-20 & 21

A letter to the Board from District customer Janice Ahlf requesting that the water service application for this project be denied was distributed, attached as **Exhibit A**.

Engineering Manager Jeff Gailey responded to questions from the Board regarding density and the feasibility of converting the existing master meter to individual meters. He confirmed that the language in the Will Serve letter will state that individual meters shall be required for each of the 40 new additional units pursuant to District policy.

MOTION: Director LaHue; Second: Director Jaffe: To authorize the District's standard Conditional Will Serve letter indicating that the District will conditionally serve the Capitola Gardens Apartments Expansion project to be constructed at 1745 46 th Avenue in Capitola, APN 034-124-20 & 21, and to clarify with the applicant that individual meters will be required for the new construction. The motion passed by a unanimous vote.

- 5.3 Conditional "Will Serve" Water Service Application for Martin Hess, 4401 Yardarm Court, Soquel, APN 102-441-19

J. Gailey responded to questions from the Board regarding the proposed guest house second dwelling unit and the 1-inch meter upgrade for the primary home being remodeled.

MOTION: Director Jaffe; Second: Director LaHue: To authorize the District's standard Conditional Will Serve letter indicating that the District will conditionally serve the second dwelling unit added to the site and a 1-inch meter upgrade for the primary home being remodeled for Martin Hess at 4401 Yardarm Court in Soquel, APN 102-441-19. The motion passed by a unanimous vote.

- 5.4 New Water Service Connection Application for Abacherli Fence Company, 3131 Porter Street, Soquel, APN 030-081-04

MOTION: Director Beebe; Second: Director Kriege: To authorize one standard water connection to be installed at Abacherli Fence Company located at 3131 Porter Street in Soquel, APN 030-081-04. The motion passed by a unanimous vote.

- 5.5 New Water Service Connection Application for Chris Peoples, 3-Unit Development at 5665 Soquel Drive, Soquel, APN 037-113-29

In response to an inquiry from Director Jaffe, J. Gailey and Ron Duncan, Conservation and Customer Service Field Manager, clarified that it is customary for project plans of this size to be checked by both Engineering and Conservation staff prior to calculating the Water Demand Offset requirement.

MOTION: Director LaHue; Second: Director Jaffe: To authorize three of the District's standard combination water connections to be installed at 107, 111, 115 & 119 Peoples Lane in Soquel, APN 037-113-29. The motion passed by a unanimous vote.

- 5.6 Consultant Agreement with HydroMetrics LLC for Monitoring Wells at Sumner Avenue & Dolphin Drive, Approve Purchase Order over \$5,000

A brief discussion ensued regarding the cost estimated by HydroMetrics to perform consulting services and how the site location was chosen. J. Gailey stated that Engineering staff will be able to provide supplemental inspections on days when the consultant's technical expertise is not needed.

Director Jaffe stated he would like language added to the consultant agreement to state that an electronic version of all data files be provided with the report.

J. Gailey confirmed that the consultant will be outlining a schedule, interfacing with the driller, and reviewing the bids to construct the wells with staff and making a recommendation.

MOTION: Director LaHue; Second: Director Jaffe: To authorize the General Manager to sign a standard District consultant agreement with HydroMetrics to perform consulting services for Sumner Avenue and Dolphin Drive Monitoring Well Project for an amount not to exceed \$64,180 as modified, CWO 06-18. The motion passed by a unanimous vote.

5.7 Well Systems Painting Project, Approve Change Order No. 1 and Grant Final Acceptance

MOTION: Director Jaffe; Second: Director Beebe: To adopt **Resolution No. 06-07** approving Change Order No. 1 and to grant final acceptance for the Well Systems Painting Project, CWO 06-05. The motion passed by a unanimous vote.

5.8 Surplus Property Sale of District Vehicles – Approve Bids

Gary Lamprecht, Operations and Maintenance Manager stated that two identical bids were received for Item No. 4 and a name will be drawn to break the tie.

MOTION: Director Jaffe; Second: Director LaHue: To award the bids to the highest bidders listed on the summary sheet. The motion passed by a unanimous vote.

5.9 Water Wasting Policy Review

R. Duncan provided an overview of the staff report and responded to questions/comments from the Board. The following changes were proposed to Resolution No. 81-36.

Section 1. Prohibited Uses:

- (A) Indiscriminate running of water or washing with water which is wasteful. ~~and without reasonable purpose.~~
- (B) Washing of the exterior of dwellings, trailers, or mobile home buildings, structures, boats, vehicles, or sidewalks, driveways, or other exterior surfaces without the use of a quick acting, positive, shut-off nozzle on the hose ***or when a broom or some other device will suffice.***

Section 2. Disconnection of Service:

Upon issuance of the third notice or violation or any subsequent notice within a year of the first violation, the service shall be subject to a ~~\$20~~ re-establishment of service charge whether or not water service is in fact physically terminated.

Discussion ensued regarding how to implement the District's water wasting policy and how to respond to a complaint if the water waster was not physically seen wasting water by District staff.

Mr. Duncan stated he would educate customer service staff on how to respond if a complaint regarding prohibited water use comes in.

President Daniels recommended including language in the Resolution that stated, "customer complaints of water waste will be investigated."

Mr. Duncan stated that the Resolution prohibiting certain uses of water would be revised as stated and will be brought back to the Board for final approval.

6. INFORMATION ITEMS

None

7. STATUS REPORTS

7.1 Operations and Maintenance – Gary Lamprecht provided an overview of the status report.

J. Gailey provided an update on the T. Hopkins Arsenic Removal Plant start-up.

President Daniels noted that the downward slopes depicted in the Production Graphs for Dec. Jan. & Feb. definitely confirm the positive effect conservation has had on water use that could not be weather related.

7.2 Communications & Conservation – R. Duncan provided a brief overview of the status report and responded to an inquiry from Director Jaffe on how the retrofits are assigned. He noted that the names of retrofit candidates are now moving off the list faster than the proceeding months.

Director Daniels requested that a third column be added to Table 1 – WDO Program Retrofit Waiting List titled "Category Assigned From."

Mr. Duncan reported that approximately 240 retrofit candidates who had been on the list for over one year were contacted by customer service staff and every customer, except one, had stated they were satisfied. Letters were mailed to the few candidates who could not be reached. He complimented the way customer service staff handled the calls to the customers.

Director Jaffe stated he felt the District's rebate program should be aggressively advertised to remind customers they can get a rebate for installing their own toilet. The Board concurred.

Mr. Duncan briefly commented on the following: Assembly member John Laird has introduced a new bill that, if passed, all toilets must be 1.3 gallons per flush or less by 2008; Roy Sikes, the District Conservation Specialist wrote an article promoting smart irrigation controllers for The Seascope, a local newsletter of the Central Coast Chapter of the California Landscape Contractors Association and was invited back to discuss the ET Controllers program at their dinner meeting being held in San Juan Bautista on April 25; Vaidehi Campbell, the District's Conservation Education Coordinator was a co-creator of an article entitled "What's New" in saving water in the Santa Cruz County Home and Garden Spring/Summer magazine that identifies all the new technology for conserving water. The article could be used to educate developers on all the new water saving devices to "go green."

Mr. Duncan introduced Vaidehi Campbell, who provided an overview of the District's water education program and responded to questions from the Board.

- 7.3 District Counsel – Bob Bosso stated he spoke with the Las Vegas attorney for the personal injury claim to clarify that the stairs located at Soquel Creek that allegedly caused the fall are not the District's, and he spoke with staff on various matters.
- 7.4 General Manager – L. Brown stated that two Board members from Central Water District attended the ACWA Region 5 meeting and heard the presentations about desalination. The District has hired a new Associate Engineer who will start work on April 24. The first round of interviews for the Construction Inspection position was completed and the top three candidates have been chosen.
- 7.5 Work Plan and Special Assignments – Nothing further was discussed.

8. **WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

Ms. Brown briefly spoke on the following that was distributed to the Board, attached as **Exhibit B**.

- Letter to the editor published in the Aptos Times by Bruce Mathias of Aptos regarding desalination and tying the cost of water to cost of oil
- Email to the District from Jane & Tim McKay complimenting the District for doing a good job
- Email to the District from Jody Healy regarding her dissatisfaction with the status of her toilet retrofit
- Letter to the Board of Directors from Janice Ahlf objecting to the proposed new development at the Capitola Gardens apartment complex
- Letter to the District from Chris Borger regarding potentially major embankment failure at 1946-1950 Redwood Drive in Aptos
- Letter to the District from the Cambria Community Services District (CCSD) requesting a letter of support to hear CCSD's appeal that the Government exemption "of broad public interest capable of repetition yet evading review" applies in their efforts to exempt water facilities from Coastal Commission permit requirements in the same manner that they are exempt from zoning requirements outside the Coastal Zone.
- Letter from AMBAG asking the District to consider sponsoring the upcoming annual Regional Water Forum to be held in Monterey on May 18, 2006.

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

March Warrants (to be handed out at the Board meeting) and Credit Card Analysis

A copy of the March warrants was distributed to the Board, attached as **Exhibit C**. President Daniels requested deferring approval of the warrants and credit card analysis until the next meeting so the warrants can be reviewed.

10. **ADJOURNMENT** - There being no further business, President Daniels adjourned the meeting at 9:50 p.m. to the next scheduled meeting on April 18, 2006.

SUBMITTED BY:

APPROVED BY:

Denise Alexander, Board Clerk

Bruce Daniels, President