

**SOQUEL CREEK WATER DISTRICT  
MEETING MINUTES  
August 7, 2007**

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**1. ROLL CALL**

President Daniels called the Regular Session to order at 7:06 p.m.

**Board Members Present:**

Bruce Daniels, President  
Dr. Thomas LaHue, Vice President  
Dan Kriege  
Dr. Don Hoernschemeyer

**Board Members Absent:**

Dr. Bruce Jaffe

**Staff Members Present:**

Laura Brown, General Manager  
Bob Bosso, District Counsel  
Jeff Gailey, Engineering Manager/Chief Engineer  
Robert Stevens, Assistant General Manager  
Ron Duncan, Conservation & Customer Service Field (CCSF) Manager  
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**

Director Kriege congratulated the Board on their July 17<sup>th</sup> decision to approve an emergency inter-tie agreement between SqCWD and PureSource Water Inc. General Manager Laura Brown provided clarification that Michael Mills, the owner of PureSource Water, plans to develop and implement water conservation measures based on the District's Emergency Response Plan.

July 17, 2007 minutes - The following changes were made:

Page 4 – President Daniels disclosed that the Community Foundation is acting as the recipient to distribute funds to local agencies, *including the District*, for the Integrated Regional Water Management grant award.

Page 7, Income & Investment Status Report - ..District customers have been contacting the District to report excessive water use/runoff since the District declared a precautionary drought ~~emergency~~ **curtailment**....

MOTION: Director LaHue; Second: Director Hoernschemeyer: To approve the July 17, 2007 minutes as modified. The motion passed by a 3-0-1 vote with Director Kriege abstaining. Director Jaffe absent.
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**3. ORAL COMMUNICATIONS**

Ms. Brown and Conservation Customer Service Field (CCSF) Manager Ron Duncan responded to an inquiry from Director Kriege regarding the District's automated meter reading program, specifically, the availability of a device that would allow District customers to go on line to monitor their water usage.

Director LaHue expressed concern that the amount of development going on within the District seems to be accelerating. A brief discussion ensued regarding the number of assigned and unassigned Water Demand Offset (WDO) credits given in the prior conservation report. Ms. Brown commented that several significant projects have been downsized appreciably, i.e. Aptos Village Plan and the Rispin Hotel and Spa. An update on the WDO program will be presented on September 4.

**4. PUBLIC HEARINGS**

None

**5. ADMINISTRATIVE BUSINESS**

- 5.1. Will Serve Water Service Application for Aptos Cottages, Aptos Rancho Road, Aptos, APN 039-471-09

Engineering Manager Jeff Gailey provided an overview of the staff report. Discussion ensued regarding the proposed 47-unit condominium project.

Todd Graff with Bolton Hill Company, consultant for the developer Brooks Properties/Aptos Cottages, stated that 2 ½ acre/feet of the offset has already been completed for this project and, the number of condominium units being built is 43, not 47; 18 of which would be affordable. He responded to questions from the Board.

President Daniels clarified that the county can bank only the affordable housing portion of the project, not the entire project.

Staff will schedule a meeting with Mr. Graff to review the final plans for this project and the exact WDO requirement will be determined at that time.

MOTION: Director LaHue; Second: Director Hoernschemeyer: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the proposed 43-unit condominium project known as Aptos Cottages to be located on Aptos Rancho Road in Aptos, APN 039-471-09. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.2 Water Demand Offset Credits for Affordable Housing Projects sponsored by the County of Santa Cruz, Aptos Cottages, Aptos, APN 039-471-09

MOTION: Director Kriege; Second: Director LaHue: To authorize the County of Santa Cruz to bank the affordable housing portion of Water Demand Offset credits for the Aptos Cottages Affordable Housing Project on the Miller property located at Soquel Drive and Aptos Rancho Road, APN 039-471-09. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.3 Satellite Reclamation Plant (SRP) Facilities Study Grant – Consultant Agreement for Black & Veatch Corporation for Full Scale SRP Demonstration Facility Study

President Daniels complimented the engineering staff for their work on this project.

Mr. Gailey and Ms. Brown responded to questions from the Board. Discussion ensued regarding the potential users, the salinity content of the recycled water, and the need to obtain a firm commitment from the potential users.

Director LaHue suggested that Black & Veatch's scope of work be reprioritized so that Task #4 – Wastewater Characteristics and Facilities and Task #6 – Recycled Water Market Assessment are top on the list. With regard to Task #10, if a fatal flaw is identified, the item should then be agendaized for the Board to consider whether to continue with the study before any plan to mitigate those fatal flaws is initiated.

Ms. Brown and the District's attorney Bob Bosso stated they would research agreements that other agencies may have made with recipients of recycled water.

MOTION: Director Kriege; Second: Director LaHue: To authorize the Board President to sign a standard District consultant agreement with Black & Veatch Corporation to perform consulting services for Satellite Reclamation Plant (SRP) Facilities Study Project for an amount not to exceed \$156,700. CWO 08-05. The motion passed by a unanimous vote. Director Jaffe absent.

Director LaHue stated that the acronyms used in the scope of work should all be defined.

- 5.4 Approve Subdivision Agreement - Capitola Beach Villas, 1066 41<sup>st</sup> Avenue, Capitola, APN 034-091-06

Mr. Gailey noted the plans being displayed on the wall. The WDO requirement for this project and the number of assigned credits was provided.

MOTION: Director Kriege; Second: Director Hoernschemeyer: To authorize the President to sign the District's standard Applicant Installed Subdivision Agreement for the 58-unit Condominium/Apartment complex called Capitola Beach Villas, APN 034-091-16, CWO 06-16. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.5 Approve Subdivision Agreement - Cabrillo Commons, Soquel Drive & Atherton Drive, Aptos, APN 037-251-26

The WDO requirement for this project and the number of assigned credits was provided.

MOTION: Director Kriege; Second: Director LaHue: To authorize the President to sign the District's standard Applicant Installed Subdivision Agreement for the 43-unit Townhouse project called Cabrillo Commons, APN 037-251-26, CWO 07-155. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.6 Approve Subdivision Agreement - Dawn Lane Eco Homes, Dawn Lane, Soquel, APN 102-221-53

The WDO requirement for this project and the number of assigned credits was provided.

MOTION: Director LaHue; Second: Director Hoernschemeyer: To authorize the President to sign the District's standard Applicant Installed Subdivision Agreement for the 7-lot project called Dawn Lane Eco Homes Subdivision contingent upon receipt of Storage & Transmission fees, APN 102-221-53, CWO 07-113. The motion passed by a unanimous vote. Director Jaffe absent.

5.7 Pringle Tank Recoat & Repair Project, Bid Award

Engineering Manager Jeff Gailey stated that six bids were received and opened on July 10, 2007 for the above noted project. Blastco Inc. from Torrance was the lowest bidder at \$135,650.00.

MOTION: Director LaHue; Second: Director Hoernschemeyer: To accept the lowest qualified bidder and adopt **Resolution No. 07-29** for award of contract to the lowest responsible bidder for the Pringle Tank Recoat & Repair Project, CWO 07-142. The motion passed by a unanimous vote. Director Jaffe absent.

5.8 Pringle Tank Recoat & Repair Project, Tank Coating Inspection Services: Approve Purchase Order over \$5,000

MOTION: Director Kriege; Second: President Daniels: To authorize the General Manager to sign a standard District consultant agreement with Bay Area Coating Consultants Services, Inc. to perform Tank Inspection Services for the Pringle Tank Recoat & Repair Project for an amount not to exceed \$22,400, CWO 07-102. The motion passed by a unanimous vote. Director Jaffe absent.

5.9 Aqua View Tank Site, Approve Purchase Order over \$5,000 for Valve & Blow-off Installation

MOTION: Director Hoernschemeyer; Second: Director Kriege: To authorize the expenditure of \$6,500 to be appropriated from Operating Contingency Reserves to complete the valve and blow-off installation and to authorize the General Manager to sign a purchase order not to exceed \$6,500 to install one 8-inch gate valve and one 2-inch blow-off along with the necessary backfill and paving at the Aqua View Tank site. The motion passed by a unanimous vote. Director Jaffe absent.

5.10 Soquel Drive Main Replacement Survey, Ratify General Manager's Action to Approve Consultant Services over \$5,000

MOTION: Director LaHue; Second: Director Kriege: To ratify the General Manager's Action to approve Mid Coast Engineer's survey service for an amount not to exceed \$7,560 for the Soquel Drive Main Replacement Project, Phase I, CWO 07-137. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.11 Lincoln Avenue Main Replacement Project, Approve Change Order No. 2

MOTION: Director Kriege; Second: Director Hoernschemeyer: To adopt **Resolution No. 07-30** approving Change Order No. 2 for a deduction in the contract amount of \$712.08 for the Lincoln Avenue Main Replacement Project, CWO 05-106. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.12 Tank Seismic Retrofit Project, Phase II, Approve Change Order No.1 and Accept Project as Complete

Mr. Gailey stated that MKM Construction Inc. has completed the installation of the seismic retrofit piping at the Pringle and Larkin Valley Tanks. All but three tanks have been seismically retrofitted; Cornwell, Rio Del Mar Estates and Seascape.

MOTION: Director LaHue; Second: President Daniels : To adopt **Resolution No. 07-31** approving Change Order No. 1 for the addition of five contract days only (no dollar amount) and to accept the Tank Seismic Retrofit Project, Phase II as complete and file the Notice of Completion, CWO 06-20. The motion passed by a unanimous vote. Director Jaffe absent.

- 5.13 Desalination Task Force

President Daniels and Ms. Brown commented on the project's new schedule and the permitting process. Discussion ensued.

- a) Memorandum of Agreement

MOTION: Director LaHue; Second: Director Kriege: To authorize the Board President to sign the City of Santa Cruz and Soquel Creek Water District Memorandum of Agreement to Create a Joint Task Force to Pursue the Feasibility of Construction and Operation of a Seawater Desalination Facility. The motion passed by a unanimous vote. Director Jaffe absent.

b) Update

The following attachments were distributed to the Board with the packet:

SCWD<sup>2</sup> Desalination Program Organizational Chart; Descriptions of Roles and Responsibilities for the Task Force and Staff; Seawater Desalination Work Program Plan; Public Outreach Work Plan; Newsclippings regarding Pilot Plant Groundbreaking

**6. INFORMATION ITEMS**

6.1 September/October *What's On Tap* Newsletter

Changes were made to the following articles:

- o **Paying your bill is getting easier** - Misspelled word second paragraph, "whereever"
- o **Breaking ground** - Second column top – The four-member Task Force includes two elected representatives from each agency: ***name the task force members***
- o **Infrastructure projects** - First column - ..safe drinking water and fire protection is a major focus for the District. ***Many areas of the District had water mains (pipes) over 50 years old and are too small to deliver sufficient water flow.***
- o Include an insert on the District's free toilet program

**7. STATUS REPORTS**

7.1 Income & Investment Report for June – Assistant General Manager Bob Stevens briefly commented on the data in the report noting that the Storage and Transmission fees are over budget for the year. He stated that the La Selva Beach Main Replacement Phase III project should not have been included with the other projects listed in the Schedule of Operating Contingency Reserve Funds for fiscal year ending June 30, 2007. He responded to questions from the Board.

7.2 District Counsel – Bob Bosso stated that other than working on the Memorandum of Agreement for the Desalination project, he advised the Operations & Maintenance Manager regarding a request received from residents on Lomita Lane who wanted the District to put in a wider driveway and move a retaining wall that was located near the Madeline Well site. He contacted the attorney who had served the District with a

subpoena for records to inquire whether a computer printout with the information being requested would suffice.

During Written Communications, Mr. Bosso briefly commented on the status of the Proposition 218 legislation.

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

- A Well Master Plan Impact Analysis by the District's hydrologist Derrick Williams with HydroMetrics was sent to both the City of Santa Cruz for their review regarding potential impacts to their Live Oak wells and to Central Water District with regard to their wells. A joint meeting between City and SqCWD staff and their respective hydrologists was held. The outcome of that meeting was given. Mr. Williams prepared a report outlining various pumping scenarios and an operational plan for the wells up to 2015, with the assumption that the desalination plant would be operating at that time. A subsequent meeting has been scheduled to discuss pumping plans. Central Water District responded with written comments from their hydrologist Nick Johnson, PhD, which are currently being reviewed by the District's hydrologist.
- Soquel Main Replacement Project – Mr. Gailey provided an update on the recent setbacks caused by PG&E's inaccurate/unmarked gas mains.
- Ms. Brown stated that it appears the September 4 agenda will be heavier than usual and listed some of the items expected to come before the Board.
- She and the General Managers of Santa Cruz and San Lorenzo Water Districts attended a meeting initiated by Charlie McNeish, General Manager of Scotts Valley Water District to discuss a grant proposal to create an intertie connection between the four district's to better balance local water supply. A preliminary grant proposal under Proposition 50 was submitted.
- The Mar Vista private water company is on LAFCO's agenda to form their own mutual company called Trout Gulch Mutual.
- The District's Special Projects Engineer Melanie Schumacher and former employee Joe Patten developed a program for responding to emergency situations based on guidelines set forth by the State Office of Emergency Services. A table top exercise that will simulate an



emergency will be held at the District in September and will be open for participation by other agencies.

- New teleconference equipment for the board meetings was purchased.

**8. WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

Letter from Mr. Milton Macken to the Board President dated August 6, 2007 regarding low water pressure at 3295 Crystal Heights Drive in Soquel, attached as **Exhibit A**. Mr. Gailey provided input stating that that particular area has always had a history of low pressure. Staff will visit the site to determine whether Mr. Macken's request is physically feasible and/or provide Mr. Macken with alternative suggestions for him to consider. A brief discussion ensued.

By consensus, the Board agreed to have staff respond to Mr. Macken's letter subsequent to completing an investigation pertaining to his request.

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

July Warrants and June/July Credit Card Analysis

MOTION: Director Kriege; Second: Director LaHue: To accept the July Warrants and June/July Credit Card Analysis as paid. The motion passed by a unanimous vote. Director Jaffe absent.
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- 10. ADJOURNMENT** - There being no further business, President Daniels adjourned the meeting at 8:52 p.m. to the next scheduled meeting on September 4, 2007.

SUBMITTED BY:

APPROVED BY:

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Denise Alexander, Board Clerk

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Bruce Daniels, President