

**SOQUEL CREEK WATER DISTRICT  
MEETING MINUTES  
January 6, 2015**

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**1. ROLL CALL & TELECONFERENCING**

President Daniels called the meeting to order at 6:32 p.m. at the Capitola City Council Chambers.

**Board Members Present:**

Dr. Bruce Daniels, President  
Dr. Thomas LaHue, Vice President  
Dr. Bruce Jaffe  
Rick Meyer

**Board Member Participating Via Conference Call**

Carla Christensen

Roll call was taken. Director Meyer, Director LaHue, Director Jaffe and President Daniels were present. Director Christensen participated via conference call.

**The meeting was adjourned to closed session at 6:33 p.m.**

**2. CLOSED SESSION**

**Staff present in closed session Item 2.1**

Kim Adamson, General Manager  
Taj Dufour, Engineering Manager/Chief Engineer

- 2.1 Conference with Real Property Negotiators (Government Code Section 54956.8)  
Property: APN 030-241-22  
Agency Negotiator: Kim Adamson, General Manager  
Negotiating Parties: Soquel Creek Water District and Hamid Ezzatyar

**Staff present in closed session Item 2.2**

Kim Adamson, General Manager  
Traci Hart, Human Resources Manager  
Erwin Young, William Avery & Associates, Inc.

- 2.2 Labor Negotiations (Government Code Section 54957.6)  
Agency Negotiator: Erwin Young, Avery Associates  
Negotiating Parties: Soquel Creek Water District and General Manager Kim Adamson

**Open session was convened at 7:07 p.m.**

**Staff Members Present:**

Kim Adamson, General Manager  
Taj Dufour, Engineering Manager/Chief Engineer  
Ron Duncan, Conservation & Customer Service Field (CCSF) Manager  
Christine Mead, Operations and Maintenance Manager  
Traci Hart, Human Resources Manager

Leslie Strohm, Supervising Accountant  
Michelle Boisen, Financial/Business Manager  
Melanie Schumacher, Special Projects/Community Dialogue  
Vai Campbell, Communications/Engineering Programs Assistant  
Bob Bosso, District Counsel  
Karen Reese, Executive Assistant/Board Clerk

**Others Present:**

4 Members of the public  
John Whitcomb, WaterFluence via Conference Call

**Report of Closed Session**

President Daniels reported that no decisions were made or instruction given during closed session.

**3. PUBLIC HEARING**

3.1 Request for Special Consideration: Bill Reduction, 1375 Prospect Avenue, Capitola

Ms. Boisen outlined the customer request for an adjustment to her October bill for unexplained high usage as noted in the memo provided in the Board Packet on Page 3 of 196. Staff checked for leaks and none were found. Data logs pinpoint a six day period where the usage was high. The meter was tested 3 times and found to be functioning properly. The customer feels it was water theft.

**President Daniels opened the public hearing.**

No public comment was heard.

MOTION: Director LaHue; Second; Director Meyer: To close the public hearing. Motion carried by unanimous roll call vote.

Discussion was held noting that, although this is a hardship for the customer, it does not meet the District's criteria for a variance.

MOTION: Director LaHue; Second; Director Meyer: To deny the customer's appeal for an adjustment to her water bill. Motion carried by unanimous roll call vote.

**4. CONSENT AGENDA**

Director LaHue requested Item 4.1 be pulled for discussion.  
Director Daniels requested Item 4.2 be pulled for discussion.  
Director Jaffe requested Item 4.3 be pulled for discussion.

4.1 Approval of Minutes – November 18, 2014

***Action: Removed from Consent; Discussed; Approved***

*One change was suggested on Page 9 of the minutes under Engineering Report to clarify the actual state of the McGregor Drive Pump station project.*

MOTION: Director LaHue; Second; Director Meyer: To approve the minutes of November 18, 2014 with the noted changes. Director Meyer, Director LaHue, Director Jaffe, and President Daniels voted in favor of the motion. Director Christensen abstained. Motion passed.

4.2 Surplus Sale Authorization

**Action: Removed from Consent; Discussed; Approved**

*A brief discussion of how the surplus sale will be advertised was held.*

MOTION: President Daniels; Second: Director LaHue: To adopt Resolution 15-01 declaring the noted vehicles and equipment as surplus and authorizing and directing the General Manager to sell said vehicles and equipment. Director Meyer, Director LaHue, Director Jaffe, and President Daniels voted in favor of the motion. Director Christensen abstained. Motion passed.

4.3 Quarterly Report for Coastal Monitoring Data

**Action: Removed from Consent; Discussed; Direction Given to Staff**

*Director Jaffe asked about groundwater level trends noted on Page 56 of 196. There is a statement that there has been at least a partial reversal of the multi-year recovery trend in groundwater levels in the Western Purisima A unit. In the same sentence it states that groundwater levels have declined in the same wells in the last 2-3 years. He asked that this, as well as several other areas in the reports, including the trend-lines, be clarified by HydroMetrics.*

*Ms. Adamson noted that HydroMetrics will be attending an upcoming meeting and she will ask that they explain these reports to the Board.*

5. **ORAL COMMUNICATIONS** (items not on the Agenda)

President Daniels noted that one of the subjects of his dissertation was the Soquel/Aptos basin. He found that without changing the total amount of precipitation or any change in temperature the storms are getting longer, weaker and the time between storms is increasing. Those three changes meant that the recharge in this area would go down 2 ½% in the next 30 years based on historical patterns only.

6. **INFORMATION ITEMS**

6.1 Informational Item: Presentation by *Waterfluence* Regarding Landscape Water-Budget Monitoring (participated via conference call)

Mr. Duncan introduced John Whitcomb. Mr. Whitcomb is a behavioral scientist who has worked with over 100 water agencies on projects related to landscape irrigation, market research, program evaluation, and software development. John is the founder of *Waterfluence*, a firm dedicated to improving irrigation efficiency in urban landscapes.

An online demonstration was given. In addition, Mr. Whitcomb answered questions from the Board. He was thanked for the demonstration of the *Waterfluence* software.

## 6.2 Income & Investment Report for November 2014

Ms. Boisen gave an overview of the layout of the Income & Investment Report and information contained therein. President Daniels asked what the projection is for water sales going forward. Ms. Boisen stated that there might be a number of years in the future where budgets may be done every six months.

Ms. Adamson noted that for fiscal planning, the District would plan for worst case scenario, which is that we are meeting and possibly even exceeding our conservation goals as we have this past year.

## 7. ADMINISTRATIVE BUSINESS

### 7.1 Board Discussion of Supplemental Supply Vote Logistics

President Daniels asked that this item be agendaized for tonight's meeting. He feels discussion by the Board can be very effective to help narrow the choices that staff has to research and shorten the time it takes to affect a solution. Another issue that will be on a future agenda for discussion will be the Sustainable Water Agency and how it could be structured.

President Daniels referred to the memo on Page 85 of 196.

Director Jaffe feels that there is no reason to have a non-binding vote. Public polls can be held if a non-binding opinion is wanted. Before a vote is done, a lot of outreach needs to be done, with input from the community.

Director LaHue sees reason to do polling early on, through mailings to the customer, to assess what customers know and what direction they would like to see the District move. Early input from customers would help guide the Board in choosing which projects to study.

Director Meyer agrees that a key component is to educate the public. One purpose of a poll would be to determine if a good job has been done so far in that education. He would support a binding vote once the public has had their questions answered.

Director Christensen feels it's premature to do an advisory vote. Once the Board has more viable information, a meeting should be held to share that information with the public. Involving as much of the public now, before a vote, would help the process.

President Daniels suggested having a series of votes, with the first one to determine the options most liked/disliked by the public. That way options that are disliked by the public can be eliminated and work can focus on those the public support. By doing a series of votes, the Board can determine what misconceptions the public has

and work on tailoring education for the next round of votes. He feels everyone needs to participate in the process. He stated that a Proposition 218 process costs the District about \$8,000.00. Doing a series of individual Prop 218 style mailings would be less expensive than doing one large election.

Director Meyer noted that the discussion so far has presumed that it is the District alone that is working toward supplemental supply. He feels it should be all of the basin users who participate in, and help to fund, the solution. Should it be the District conducting a vote or should it be the Basin Implementation Group or the Groundwater Sustainability Agency once it's formed? The Board needs to know if it is pursuing a regional solution or a District only solution.

President Daniels feels that before reaching that point, the Board needs to decide who gets to vote and how it gets counted. If this goes through the elections department it will impact only registered voters in our District.

Director LaHue feels the vote should be limited to those in the District and all of our customers should have a vote. The people paying the bills should have a vote, but he is not sure if the property owner should also have a vote. How many votes should each property have?

Director Jaffe's objectives are total transparency and that communication is a two-way street. The Board needs to find out if the direction they are leaning is palatable to the customer before investing any funds.

After listening to this discussion Director LaHue feels that a good start would be a mail-out assessment to get feedback on how much customers know.

Ms. Adamson is hearing that there is recognition that, until the Board has enough information, customers cannot make a final educated vote. That would come more toward the end of the process. Her recommendation is that the Outreach Committee works on a survey to gauge what information customers know.

President Daniels feels that any survey should be mailed district-wide and includes supplemental supply options the Board has information on. The Outreach Committee could bring back a list of questions to be included for Board approval. Another option could be that there is no supplemental supply, but that the deficit is made up through demand management (conservation) only.

**Public Comment:**

Michael Boyd suggested rank choice voting be done and to put all the choices to a binding vote including desal, storage option, regional option, conservation option, and a water moratorium option.

Jerry Paul noted that expertise is required to make a decision on supplemental supply. He felt the general public would not know enough to yield an optimal vote.

He mentioned that Ranney collector vendors have offered to do studies at no cost to the District. Mr. Paul was asked to provide staff with the contact information.

7.2 Adopt Board Reimbursement Policy as Required by Assembly Bill No. 1234

Ms. Boisen outlined the requirement to adopt a written Board reimbursement policy. Many of the established practices follow the code but are not in writing. Discussion was held and direction was given to Ms. Boisen for changes to the proposed policy. President Daniels noted the amount of the Board stipend is voted on at a public meeting in November. He feels it should be changed to December so that any newly seated board member may vote. This will require a change to the Ordinance. A public meeting will be noticed and an amended Ordinance will be brought back to a subsequent meeting. Ms. Boisen will bring back the other changes to the policy for adoption at the next meeting.

7.3 Approvals – Financial Plan Update Proposal from Bartle Wells Associates

Ms. Boisen noted that updating the finance plan is the first step in updating rates. A proposal from Bartle Wells Associates is attached to the memo.

Presidential Daniels asked why the proposal is for a 10 year plan. Ms. Boisen noted the District needs a 10 year plan due to bond debt and other issues. There are many unknowns moving forward, but it's necessary to update the financial plan at this time. President Daniels would like to see the assumptions come back to the Board as a report before the plan is finalized.

MOTION: Director Jaffe; Second; Director LaHue: To authorize the Update of the Financial Plan by Bartle Wells Associates at a cost not to exceed \$15,000. Motion carried by unanimous roll call vote.
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7.4 Modifications to General Manager Employment Contract

Ms. Adamson noted this issue was discussed in closed session. The reason for the salary adjustment is to bring the District in line with other agencies and to maintain internal equity. There is a compaction issue internally.

Director LaHue commented that, due to the level of workload that the General Manager has to do for this District compared with some of the others that were surveyed; he thinks it's definitely worthy of an upgrade regardless of the compaction issues to be on par with other organizations.

President Daniels commented that one of the issues is the work product, and he is not too comfortable with that and does not feel comfortable making any change at this point.

Director Christensen agrees the salary for the General Manager needs to be increased, although she does not know that the amount needs to be on par with

other agencies. She feels this is a separate issue to other matters that may be coming up in this agenda item.

Director Jaffe discussed the issue of the COLA that the General Manager has not received since being hired when other staff has received that benefit. The issue of merit pay increases is a separate issue for Director Jaffe. He is supportive of the adjustment of 11.2%, but would like to address the merit pay increase after following up on the performance review that was held three months ago.

Director Meyer would support some increase but does not feel prepared to decide the amount of the increase tonight. He does not recall that the issues raised in the performance review have been resolved to everyone's satisfaction.

Director LaHue asked about vacation days and administrative leave issues. The current 12 days is being proposed to increase by seven days. Ms. Adamson noted she was hired at a vacation level of a first year employee. It was proposed that she be given credit for her years as a General Manager of a special purpose district the same way the last management employee was given credit for his years at a special district.

**MOTION:** Director LaHue: To approve the modifications to the General Manager contract as presented. There was no second to the motion and the motion died.

**MOTION:** Director Jaffe; Second; Director LaHue: To increase the amount of compensation by 11.2% to be on par with management and change the vacation accrual to the nine year level. Director Meyer, Director LaHue, Director Jaffe, and Director Christensen voted in favor of the motion. President Daniels voted against the motion. Motion passed.

## 8. **STATUS REPORTS**

### 8.1 Engineering – Written Report

Director LaHue asked about the Quail Run Tank land ownership issue. Mr. Bosso reported that the title issue has been resolved with regard to the small sliver of land that's been discussed previously. It does belong to the District. There is still a right of way issue to be dealt with.

President Daniels asked how the outreach with the Quail Run community is going. Mr. Dufour reported that the new proposal has not yet been heard by the community, but the conversation will continue soon. Director Jaffe asked how the community is feeling about this project. Mr. Dufour noted that they are not District customers and therefore, not supporters. Staff has been moving in the right direction since beginning the project and hopes the community recognizes that. The plans have been changed to better accommodate the neighborhood.

## 9. **WRITTEN COMMUNICATIONS AND CORRESPONDENCE** –None

**10. ADJOURNMENT**

President Daniels adjourned the meeting at 8:56 p.m. to the next scheduled Regular Meeting on Tuesday, January 20, 2015.

SUBMITTED BY:

APPROVED BY:

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Karen Reese, Board Clerk

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Bruce Daniels, President