

**SOQUEL CREEK WATER DISTRICT
REGULAR MEETING MINUTES
January 19, 2010**

1. Roll Call

President LaHue called the Regular Session to order at 7:01 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
Bob Bosso, District Counsel
Jeff Gailey, Engineering Manager/Chief Engineer
Michelle Boisen, Financial/Business Services Manager
Ron Duncan, Conservation & Customer Service Field (CCSF) Manager
Taj Dufour, Operations & Maintenance Manager
Denise Alexander, Executive Assistant/Board Clerk

Others Present:

4 members of the public
Sonia Laracuenta, SEIU Local 521 representative
5 staff members

2. APPROVAL OF MINUTES

December 15, 2009

The following changes were made:

Page 7 – ~~IRWM~~ Integrated Regional Water Management

She and Mr. Williams will be meeting with John Ricker, ~~with~~ Santa Cruz County Environmental Health Services and Ralph Bracamonte, ~~with~~ Central Water District tomorrow...

Page 8 – correct spelling from ~~Nothing~~ to **Nothing** -

MOTION: Director Daniels; Second: Director Kriege: To approve the December 15, 2009 minutes as modified. The motion passed by a unanimous vote.

3. ORAL COMMUNICATIONS

Sonia Laracuente, SEIU Local 521 representative stated she was present on behalf of the District's members. She then distributed the following documents to the Board: a petition opposing the recent installation of Global Positioning Satellite (GPS) devices in three of the District's trucks; Field Employees Work Practices Handbook, Appendix C & D; Office and Field MOU, Section 7.12 - Use of District Vehicles and Mobile Equipment; and an article entitled Labor and Employment Law Update, Nowhere to Hide: GPS Tracking of Mobile Employees. A brief history of the process that started with a letter to the union from the District on a proposal to install GPS devices was given. She noted the five members who were present.

Rob Jaime, Customer Service Field Crew Leader and SEIU member stated he has been an employee at the District since 1991. He asked the Board to weigh the impact and effect this new technology currently has had on the employees. He stated that he and other members could not support the GPS device because of the following impacts:

- Employees' morale, emotions and dignity have been affected while trying to conduct District business during regular and on-call working hours
- Employees feels very uncomfortable and there is a sense of not being trusted, Big Brother watching
- The device does not provide clarity regarding the work being performed
- Employees have a sense of having a police officer in the vehicle watching your every move
- Employees have a sense of being stalked
- Some employees are experiencing stress, loss of sleep and paranoia
- There is a huge margin for abuse due to subjective interpretation whereby certain employees could be targeted for disciplinary action

Mr. Jaime stated he's aware of all the positive advantages being stated about having this technology but asked the Board to also be aware of the negative effects it is having as well.

In response to an inquiry, Ms. Laracuente stated that invasion of privacy/civil liberties are issues. As an example, she noted that the software monitors driving speed that could potentially be used for disciplinary purposes if a person was driving over the speed limit but with the flow of traffic. She also alleged that there could be an invasion of privacy should an employee use a GPS equipped vehicle for personal business such as using their break to go home to care for an elderly parent or child or after hours to attend an AA meeting. Whereabouts is being monitored every moment if using this truck when a person may not want their whereabouts divulged. From a police and

fire perspective, GPS is a great technology. District members have not misused these vehicles so why are they being watched? A vehicle use policy is already in place. Members feel that individual issues could be dealt with on a case by case basis; a violation of the policy should be addressed separately. Please remove these devices.

President LaHue stated that with jobs he has had before and in teaching, supervisors watch him all the time, and if he's doing what he's supposed to be doing, he doesn't have a reason to worry. A lot of jobs have close monitoring as to what is being done with company equipment on company time.

Director Kriege questioned why this matter was on the Board agenda and not viewed as a management issue. He asked Ms. Brown whether it is subject to meet and confer. She replied that it is not.

4. CLOSED SESSION

- 4.1 Personnel Matter – Approve extension of family medical leave for one employee .

President LaHue reported that the Board had approved extending family medical leave to one employee

- 4.2 Threatened Litigation: Charge of Discrimination Filed with Equal Employment Opportunity Commission Regarding Hiring Practices, Government Code Section 54956.9 (oral report)

President LaHue stated that potential threatened litigation was reported on.

- 4.3 Conference with District Labor Negotiator to Give Direction Regarding Memorandum of Understanding with Management Employees

President LaHue reported that the Board gave direction to the labor negotiator regarding the MOU with management employees.

- 4.4 General Manager's Performance Review (oral report)

President LaHue stated that the Board completed the General Manager's performance review.

5. PUBLIC HEARING

- 5.1 Variance Request for Water Service for an Accessory Dwelling Unit (ADU) Added to an Existing Developed Parcel, Frank Vitale, 3924 Transom Court, Soquel, APN 102-441-14

Engineering Manager Jeff Gailey provided a brief overview of the history of Mr. Vitale's application.

President LaHue opened the public hearing.

Mr. Vitale stated when he first got his building permit, his contractor told him that the Accessory Dwelling Unit (ADU) could run off of the existing water meter. He referred to the April 29, 2003 meeting minutes page that was included as an attachment with the staff report and referred to the comment made by Katherine Sweet, "*Currently, second unit additions require a neighborhood hearing. It will now be a discretionary permit under the new state law, and a second meter will not be required.*" Other than information referring to "units" which he thought meant rental units, he stated he has never received any documentation from the District that an ADU would require a separate meter. Mr. Vitale questioned the breakdown of charges he received from the District and requested an additional credit of \$312.00 for overpaid 3rd tier water use. He also requested that the fees be rolled back to 2005 rates because approval of service was given by the Fire Marshal at that time. He asked approval of a payment plan for the service fees and charges with \$5,000 being paid in March 2010 and \$1,000 every month thereafter.

Discussion ensued regarding the basis for the District's offer to adjust fees to the 2006 level when the ADU project was apparently completed and Mr. Vitale's statement that water connection to the ADU was made in 2005.

Director Kriege opined that the offer to roll back the fees and charges to the 2006 rates proposed by staff was fair except on the meter installation charge which is based on actual, current cost.

District Counsel Bob Bosso stated it has been the policy of the Board that all new dwelling units, including ADUs, are separately metered and charged Water Capacity Charges (formerly Storage and Transmission Fees) for the past ten years.

Mr. Vitale stated he will provide proof from the County that water to his ADU was installed in 2005.

President LaHue clarified that Mr. Vitale would like resolution regarding the 2005 or 2006 connection year, a water charge credit of \$32.00 for each bill over the last 20 months totaling \$312.00 in addition to the staff calculation of estimated charges with separate meters, and a payment plan.

Financial and Business Services Manager Michelle Boisen explained the estimated charge comparison calculated by staff that did not justify Mr. Vitale's request for an additional \$312.00 adjustment.

In response to an inquiry by Director Jaffe, Mr. Vitale withdrew his request to have a 5/8-inch restricted flow meter for the ADU.

MOTION: Director Kriege; Second: Director Jaffe: To close the public hearing. The motion passed by a unanimous vote.

Mr. Gailey recalled a prior situation where the County had failed to inform the applicant of the District's policy requiring a separate meter for an ADU and the illegal connection had to be corrected by installing another meter at the current rate.

Director Daniels explained why he felt a nominal interest fee should be applied to any payment plan. Ms. Boisen suggested including administrative costs as well. She noted that the District had never offered a payment plan for new service installations during her tenure here at the District. Director Kriege stated that the Board would not want to set a precedent.

MOTION: President LaHue; Second: Director Kriege: To deny the variance based upon findings under Resolution No. 74-55, Section 1.03 for a separate water service for Frank Vitale's Accessory Dwelling Unit located at 3924 Transom Court, Soquel, APN 102-441-14. All fees and charges will be at the 2005 rates with the exception that the current rate be applied to the service installation charges. The requests for a refund of 3rd tier rates paid since May 2008 and a payment schedule for the Water Capacity and Water Demand Offset Fees is denied with the fees and charges to be paid within 90 calendar days. The motion passed by a unanimous vote.

Director Daniels stated that the New Applicant Water Demand Offset Form needs to be revised to add Accessory Dwelling Unit under residential water use factors and offset calculations instead of using the current mobile home and apartment categories. Mr. Gailey confirmed that the water use factors for the various sizes of ADUs have been calculated; the form will be updated to include an ADU category.

6. ADMINISTRATIVE BUSINESS

- 6.1 Will Serve Water Service Application for Todd Todd, 2504 Main Street, Soquel, APN 030-221-45

MOTION: Director Jaffe; Second: President LaHue: To authorize the District's Conditional Will Serve Letter indicating that the District will conditionally serve the proposed Pizzeria at 2504 Main Street, Soquel, APN 030-221-45. The motion passed by a unanimous vote.

6.2 Claim of Damage – Paul Browne, 4790 Emerald Street, Capitola, Damaged Solenoid and Irrigation Valves

Ms. Boisen noted that the claimant, Mr. Browne was in attendance and is aware of the process to deny the claim and forward to Joint Powers Insurance Authority (JPIA).

Mr. Browne read an Addendum he would like to submit to be included with his claim when sent to JPIA, attached as **Exhibit A**. He thanked the Board.

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

6.3 Water Capacity Charges - Accept Revised 2009 Water Capacity Charges Report Prepared by Municipal Financial Services (MFS) and Schedule a Public Hearing

Tom Pavletic and Marv Winer with MFS responded to questions from the Board. Ms. Brown provided input.

Director Kriege noted concern that the report appears to imply that the desalination project has already been selected as the District's supplemental water supply.

Mr. Bosso stated that in Table A-1 and other sections of the report, "*desalination treatment plant project*" could be replaced with "*supplemental water supply project*," with a footnote stating that the calculations are based on the proposed desalination plant project which appears to be the most likely option.

Director Daniels thanked the MFS consultants for the modifications that were made to the report; however, when the Water Capacity Charges are reviewed again, the calculations should be revised as follows:

- the sustainable yield of 4,800 AF/year noted on Table 5 is not correct based on current understanding and a more accurate estimate will be forthcoming when HydroMetrics completes their study

- the desalination transmission system will not be zero dollars
- justification of why \$600,000 for the energy offset
- CIP allocated for the plant studies/design for SqCWD is shown as 49% and is actually 50%.

MOTION: Director Daniels; Second: Director Jaffe: To accept the Revised Water Capacity Charges Report completed by Municipal Financial Services and schedule a public hearing for February 2, 2010. The motion passed by a unanimous vote.

6.4 Water Capacity Charges – Set Effective Date and Approve Preliminary Environmental Assessment and Notice of Exemption

MOTION: Director Daniels; Second: Director Kriege: To set an effective date of March 1, 2010 for the Water Capacity Charges and approve the Preliminary Environmental Assessment and findings of Statutory Exemption for Water Capacity Charges. The motion passed by a unanimous vote.

6.5 Adopt Policy on Order and Decorum at District Meetings

Discussion ensued.

The proposed policy was modified as follows:

OBTAINING THE FLOOR: Every member of the public and every Board Member desiring to speak shall address the presiding officer, and upon recognition by the presiding officer, shall confine comments to the question under discussion. ~~avoiding all indecorous language and references to personalities.~~ All shall abide by the following

MOTION: Director Hoernschemeyer; Second: President LaHue: To adopt the Policy on Order and Decorum at District Meetings as modified. The motion passed by a unanimous vote.

6.6 Approval of Revised Job Descriptions for Management Employees

MOTION: Director Daniels; Second: Director Kriege: To approve the revised job descriptions for the four management classifications. The motion passed by a unanimous vote.

6.7 Approve Contract for Legal Services with Bosso Williams

MOTION: Director Jaffe; Second: Director Kriege: To authorize the Board President to execute an agreement for District legal services with Bosso Williams with the terms and conditions as described for the period January 1, 2010 through June 30, 2010. The motion passed by a unanimous vote.

6.8 Toilet Replacement Project, Approve Change Order No. 1

Conservation Customer Service Field Manager Ron Duncan stated that the plumbing contractor, RB Plumbing, had initially requested a 10% increase but subsequently verbally agreed to a contract revision of an additional 8% per toilet installation for the remaining toilets to be installed. The basis was due to increased material and business costs; however, documentation supporting that request was never received. Staff did research and was able to ascertain that material costs have increased approximately 3-5%. The contract states that the contractor shall commit to the original contract price for 120 days which has been done. Staff is recommending a 5% per toilet installation increase. The contractor is doing an excellent job.

A brief discussion ensued. By consensus, a contract revision to amend the original bid should be substantiated and supporting documentation provided both from the contractor and staff.

Director Daniels recommended to continue the item until the supporting documentation is received.

MOTION: Director Jaffe; Second: Director Hoernschemeyer: To continue the item until such time that supporting data can be provided. The motion passed by a unanimous vote.

6.9 Estates Well Mechanical Rehabilitation Project, Approve Change Order No. 1 and Grant Final Acceptance

Operations & Maintenance Manager Taj Dufour provided an overview of the staff report and responded to questions from the Board.

MOTION: Director Jaffe; Second: Director Hoernschemeyer: To adopt **Resolution No. 10-02** approving Change Order No. 1 for a contract addition of \$8,534.00 for the Estates Well Mechanical Rehabilitation Project, CWO 10-27. The motion passed by a unanimous vote.

6.10 Ratify General Manager's Actions for Emergency Repairs at Maplethorpe Booster Pump Station #2 Exceeding \$25,000

Mr. Dufour responded to questions from the Board.

MOTION: Director Jaffe; Second: Director Daniels: To ratify the General Manager's actions to declare an emergency and waive normal bidding procedures for work associated with the replacement of pump and motor at Maplethorpe Booster Pump #2 and to authorize payment of \$28,587.98, from the budget for emergency well repairs/replacements to Maggiora Bros. Drilling, Inc. for the emergency booster pump replacement at Maplethorpe Booster Pump #2. The motion passed by a unanimous vote.

6.11 Desalination Task Force and Energy Issues (oral report)

Director Kriege reported that the task force did not meet during the month of December. The next meeting will be held tomorrow. An interesting agenda item is to discuss an energy minimization and greenhouse gas reduction plan and a consultant to provide CEQA services will be selected. The recommended consulting firm is URS Corporation.

7. **INFORMATION ITEMS**

None

8. **STATUS REPORTS**

8.1 Conservation & Customer Service Field – Mr. Duncan provided an overview of the status report, specifically Projects and Public Outreach items. Clarification of the new State graywater regulations, effective August 4 was given.

Director Jaffe stated that two persons have approached him about the District's turf rebate program being put on hold.

8.2 Operations & Maintenance – Mr. Dufour responded to questions from the Board. The Bonita Well pump is expected to be pulled next month. The results of the Total Trihalomethane (TTHM) Reduction Pilot Testing appear very promising; aeration may reduce levels by 30-50%. Circulation of the water will cost approximately \$700 a month but actual treatment cost is very low. An 80% reduction is expected with first test of the new nozzles.

Director Daniels asked for an update whether resolution was reached with the lab responsible for the flawed bacteriological testing when the MCL violation occurred. Mr. Dufour stated he spoke to the lab and was informed that staff changes had been made. Less critical testing is still being done there. All bacteriological testing for the state is now done at the new City of Watsonville lab which seems to be working out extremely well.

- 8.3 Income & Investment Report for December - Ms. Boisen noted that 2009 water use decreased 11% from the previous year.
- 8.4 District Counsel – Mr. Bosso stated he had nothing to report.
- 8.5 General Manager – Ms. Brown reported on the following:
- The series of storms caused the backup generators at the office to become overloaded; three computers were damaged.
 - Work continues on the supplemental Integrated Regional Water Management Grant. How much each partner agency will include in the proposal is still undecided. SqCWD has submitted a grant application to replace several coastal monitoring wells (SC-8 and SC-9) and to install inland monitoring wells in the western Purisima area (approximately \$1 million for those two projects). The final application is still being drafted.
 - Tom Burns has been approached about assisting the District with facilitating various agreements with the County and other agencies. A consulting agreement is being prepared.
 - The Administrative Screen Draft of the Well Master Plan Draft EIR is expected the first week of February and anticipated to be circulated this spring.
 - The next Board meeting on February 2nd will start at 6:00 p.m. A light dinner will be served. She commended staff for doing a great job putting together a revised budget and organizing the projects according to work plan. Ms. Boisen is working on revenue projections.
 - Ms. Brown stated she was not ready to report on Closed Session Item 11.2 at this meeting. The item will not be discussed.

9. WRITTEN COMMUNICATIONS AND CORRESPONDENCE

None

10. REPORT OF PAYMENT OF THE BILLS

10.1 December Warrants and Nov./Dec. Credit Card Analysis

MOTION: Director Kriege; Second: Director Hoernschemeyer: To accept the December Warrants and Nov./Dec. Credit Card Analysis as paid. The motion passed by a unanimous vote.

President LaHue recessed the Open Session to convene the Closed Session at 8:55 p.m.

11. CLOSED SESSION

- 11.1 Conference with District Labor Negotiators to Give Direction Regarding the Installation of Global Positioning Satellite (GPS) Technology on District Vehicles
- 11.2 Conference with District Labor Negotiator to Give Direction Regarding Memorandum of Understanding with Management Employees

(This item was not discussed)

President LaHue reconvened to Open Session at 10:00 p.m.

- 11.1 President LaHue reported that no action was taken.

- 12. ADJOURNMENT** - There being no further business, President LaHue adjourned the meeting at 10:01 p.m. to the next regularly scheduled meeting on February 2, 2010.

SUBMITTED BY:

APPROVED BY:

Denise Alexander, Board Clerk

Thomas LaHue, President