President Daniels called the regular meeting to order at 6:00 pm at the Capitola City Council Chambers.

1. **ROLL CALL**
   
   **Board Members Present:**
   - Dr. Bruce Daniels, President
   - Rachél Lather, Vice-President
   - Carla Christensen - *ABSENT*
   - Dr. Bruce Jaffe
   - Dr. Thomas LaHue

   **District Counsel**
   - Joshua Nelson, District Counsel

   **Staff Members Present:**
   - Ron Duncan, General Manager
   - Shelley Flock, Conservation and Customer Service Field Manager
   - Taj Dufour, Engineering Manager
   - Leslie Strohm, Finance Manager
   - Traci Hart, Human Resources Manager
   - Melanie Mow Schumacher, Special Projects-Communications Manager
   - Emma Olin, Executive Assistant/Board Clerk

   **Staff Members Absent:**
   - Christine Mead, Operations & Maintenance Manager

   **Others Present:**
   - 7 members of the public

2. **PUBLIC HEARING**

   2.1 Variance Request from Metering Policy - Ventana Court

   Ms. Strohm stated that the residents of Ventana Court (120, 130 and 140 Ventana Court), have requested a variance from the 1-inch fixed monthly service charge. She reviewed the variance request and the District’s current metering policy.

   Ms. Strohm explained that the Ventana Court residents are currently served by a 1-inch meter (and thus pay the 1-inch fixed monthly service charge). The 1-inch meter was originally installed, at the request of at least two of the variance request applicants, to increase the water pressure at their homes (home elevation is significantly above the water main). Staff has worked with the requestors to determine if there are other options available to maintain water pressure while eliminating the fixed monthly service charge (e.g., 5/8-inch meter with booster pump); however, they have indicated that they do not desire a meter downsize.
Ms. Strohm stated that staff recommends that the Board deny the variance request, pursuant to Resolution No. 74-55, Section 1.03. She emphasized that the District’s policy and staff’s recommendation is intended to be equitable and fair to all customers.

In response to several Board questions, Ms. Strohm highlighted the following:

- The District meets water system requirements by providing certain water pressure at the meter (not the residence);
- There are many customers whose building location, fixture count or other configuration reduces water pressure at the point of use; these customers often pay a contractor to install a booster pump and backflow device to improve water pressure on their property;
- At least two of the applicants signed a Water Waiver at the time of the service installation acknowledging that they may have lower than desired water pressure at their homes;
- The residents of Ventana Court have chosen not to incur the cost to install a booster pump and instead to improve water pressure at their residences through a larger water meter (a 1-inch meter rather than the typical 5/8-inch meter);
- The District has established a variance to bill homes with a 1-inch service for fire flow for a 5/8-inch water service and a 1-inch fire service (the fire department mandated the 1-inch service and customers have no choice in the matter).

President Daniels opened the public hearing at 6:07 pm.

Four public comments were heard.

Board and staff responded to public comment.

Board discussion ensued regarding the proposed variance request and the technical feasibility of using different meter sizes to maintain water pressure at the homes on Ventana Court.

Director Jaffe stated that he personally knows one of the requestors (Mr. Jack Zahorsky), but he does not know the other two requestors. Director Jaffe stated that he is not legally required to recuse himself from voting on this item, since he has no financial interest in the matter. Director Jaffe stated that his thinking on the matter is not affected by knowing Mr. Zahorsky. Mr. Nelson noted that Director Jaffe has not prejudged the matter or otherwise indicated he would support or deny the variance request, and Director Jaffe agreed.

Mr. Duncan provided clarification regarding the 3/4-inch meters, explaining that they are outdated and currently being phased out.

President Daniels closed the public hearing at 6:28 pm by the following:

**MOTION:** Director Jaffe; Second: Director LaHue; To close the Public Hearing. Motion passed unanimously. Director Christensen ABSENT.

Director Jaffe stated that he is supportive of granting the variance request and he highlighted the following:

- Attachment 5 – District Resolution No. 74-55, Variance Procedure, Section 1.00 – states that, “variances may be granted... by the Board of Directors... because of special circumstances applicable to the property in question, including.... topography;”
- Ventana Court residents are not currently able to utilize the full capacity of the 1-inch meter; a stipulation can be added to the motion, so that future residents on Ventana Court cannot install a booster pump to achieve full capacity of the 1-inch meter;
• This is a unique situation, and the District should not charge for flow customers are not able to receive.

Director Jaffe emphasized the importance of treating all customers fairly.

Director LaHue stated that his priority is fairness and consistency. He stated that there are many customers in similar situations who have a 5/8-inch meter and use booster pumps or backflow devices to increase water pressure at their homes. He expressed concern about granting the variance request and creating an issue of fairness.

President Daniels agreed, noting that there are many different flows and pressures throughout the District’s water system. He suggested that other options be explored, including the possibility of using a water tank and well pump to maintain pressure.

MOTION: Director LaHue; Second: President Daniels; To deny the request for a variance from the meter policy without prejudice as to the requestors’ ability to reapply. Motion passed (3:1). Director Jaffe voted NO. Director Christensen ABSENT.

3. **CONSENT AGENDA**

Items 3.3 and 3.4 were pulled from the consent agenda.

MOTION: Director LaHue; Second: Director Jaffe; To approve Consent Agenda Items 3.1, 3.2, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13 and 3.14. Motion passed unanimously. Director Christensen ABSENT.

3.1 Approval of Minutes

3.1.1 December 17, 2019 – Regular Meeting Minutes

*Action: Approved*

3.2 General Manager Purchase Order Approval

*Action: Approved*

3.3 December Warrants

*Action: Removed from Consent; Discussed; Approved*

One public comment was heard.

The Board responded to public comment.

In response to a question posed Director Jaffe, Mr. Dufour confirmed that the City of Santa Cruz will be invoiced for half of the payment to Black and Veatch for, “consulting for City of Santa Cruz water transfer.”

MOTION: Director Jaffe; Second: Director Lather; To approve Consent Agenda Item 3.3: December Warrants. Motion passed unanimously. Director Christensen ABSENT.

3.4 Production Reports

*Action: Removed from Consent; Discussed; Information Only*

Director Jaffe expressed appreciation for the Production Reports, explaining that they provide a “pulse” on the District. He added that these reports often provide explanations and responses to a variety of different factors.
President Daniels agreed, noting that the reports show rebound in water usage since 2017.

Mr. Duncan added that the reports show that conservation alone will not achieve protective groundwater elevations.

3.5 Board Planning Calendar  
**Action: Approved**

3.6 Special Board Assignments Status Report  
**Action: Approved**

3.7 Approve Board Attendance at the 2020 Design-Build for Water/Wastewater Conference  
**Action: Approved**

3.8 Consider Approval for a Modular Trailer for Pure Water Soquel Project Implementation Work Space and Meeting Area  
**Action: Approved**

3.9 Approve Allocation from Operating Contingency Reserves (OCR) for Purchase of Two Standby Generators  
**Action: Approved**

3.10 Deny Claim of Damage – Capitola Venetian Hotel, 1500 Wharf Rd. Capitola, CA  
**Action: Approved**

3.11 Consider Approval of Operations & Maintenance Department Reorganization and Personnel Actions  
**Action: Approved**

3.12 Granite Way Well Pumping Equipment and Well Pedestal Installation Project, CWO 11-137, Accept Project as Complete, File Notice of Completion  
**Action: Approved**

3.13 Authorize General Manager to Submit Comment Letter on Proposed Lead and Copper Rule Revisions  
**Action: Approved**

3.14 Authorize Letter of Support for the Reappointment of David Baskin to the Mid-County Groundwater Agency (MGA) Board  
**Action: Approved**

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

Written communications addressed to the Board are available [online](#).

Three public comments were heard.

Director LaHue and President Daniels responded to public comment.

Mr. Duncan shared a positive experience with District customers (correspondence available [online](#)), stating that the customers took the time to meet with staff and learn about the groundwater issues and opportunities and utilized the District's free water wise housecalls to help reduce water use. He emphasized the value of communication.
Director LaHue requested that an item be agendized to discuss the District’s policy regarding copy fees for the provision of printed agendas and agenda packets to the public.

5. **REPORTS**

5.1 Management Update

a. Conservation and Customer Service Field
   - Ms. Flock reported that the new metering alert system saved a customer about a ¼ acre-foot of water; Mr. Duncan noted that this is enough water savings to supply one home for a whole year.

   In response to a question posed by President Daniels, Ms. Flock confirmed that staff is working toward achieving a 98% performance standard. She explained that sometimes outside factors (e.g., a parked car) may interfere with meter reads; however, staff is working to install additional repeaters and base stations in some areas.

   Director Jaffe expressed appreciation for staff working with outside agencies on the customer engagement software.

b. Engineering
   - Mr. Dufour reported that PG&E is slated to install electricity at the Granite Way Well in February 2020;

   Mr. Dufour provided an update on the ammonia investigation. He stated that the consultant is currently reviewing historical data and water quality results; and the alternatives assessment will be presented to the Board at a future meeting.

c. Operations and Maintenance
   - On behalf of Ms. Mead, Mr. Dufour reviewed the three items presented in the report.

d. Special Projects/Community Outreach
   - No additional report.

   Director LaHue expressed support for staff serving on Wateruse committees/boards.

   Director Jaffe confirmed that he will attend the Public Outreach Committee on February 11, since Director LaHue is not able to attend.

e. Finance
   - Ms. Strohm reviewed the three items presented in her report.

f. Human Resources
   - No additional report.

g. General Manager
   - Mr. Duncan stated that the District’s Community Water Plan and the Board’s initiatives align with many of the priorities of the state’s draft 2020 Water Resilience Portfolio, in terms of water conservation, diversifying water supplies, increasing recycled water use, and adapting to climate change.

   - Mr. Duncan discussed climate change; he noted that climate change impacts are now at the core of CalPERS’ investment strategy and seem to be coming more to the forefront each day.
In response to a question posed by Director Jaffe, Mr. Duncan stated that the Groundwater Sustainability Plan (GSP) is being uploaded to the State’s website. He stated that the Santa Cruz Mid-County Groundwater Agency (MGA) may be one of the first agencies to submit the GSP.

President Daniels discussed climate change, stating that the assumptions between CO₂ emissions and temperature has changed (temperatures will increase more than previously projected).

One public comment was heard.

Director Jaffe requested that an item be agendized to discuss the aesthetics of District facilities (including the Granite Way Well site).

One public comment was heard.

Mr. Duncan clarified public comment.

5.2 District Counsel – Oral Report
   • Mr. Nelson reviewed the legal requirements for public comment at Board Meetings.

Director Jaffe requested that an item be agendized to explore and discuss Board Meeting efficiency options at a future meeting (to review the process for removing consent agenda items for discussion and the appropriate time allowances for public comment).

6.   ADMINISTRATIVE BUSINESS

6.1 Conditional and Unconditional Will Serve Letters – None

6.2 Receive 2019 Year in Review

   Mr. Duncan presented the “2019 Year in Review” slideshow (available online).

   Mr. Duncan expressed gratitude to the Board and staff for their hard work and commitment in 2019.

6.3 Adopt Resolutions 20-01 and 20-02 for the Seawater Intrusion Control Fund Loan

Ms. Strohm stated that the State Water Resources Control Board (SWRCB) awarded a $36 million low-interest loan to assist Soquel Creek Water District with construction of the Pure Water Soquel Project on November 19, 2019. She explained that the SWRCB requires that proposed resolutions be adopted prior to execution of the loan financing agreement.

In response to a question posed by Director Jaffe, Ms. Strohm stated that these resolutions are a standard requirement.

Ms. Strohm confirmed that the Seawater Intrusion Control (SWIC) Program loan is secured at an interest rate of 1.3%.

One public comment was heard.
MOTION: President Daniels; Second: Director LaHue; To adopt Resolutions 20-01 and 20-02 authorizing the General Manager, or his/her designee, to apply for a low interest rate loan from the State Water Resources Control Board Seawater Intrusion Control Program and to seek reimbursement from this fund for expenditures related to the Pure Water Soquel project. Motion passed by unanimous roll call vote. Director Christensen ABSENT.

6.4 Consider Approval of Contract Amendment for Professional Legal Services Related to the Pure Water Soquel (PWS) Program

Mr. Duncan reviewed Item 6.4, explaining that additional funding is needed for legal services to defend the appeal challenge to the November 15th Court Order (which ruled in favor of the District and upheld the validity of the District’s Environmental Impact Report (EIR) for the Pure Water Soquel Project).

Mr. Duncan stated that Best, Best and Krieger’s (BBK) estimated budget to defend petitioner’s appeal is between $75,000 and $175,000, which would be billed on an as-needed basis. He stated that this work requires an allocation from the District’s Operating Contingency Reserves (OCR).

One public comment was heard.

Director Jaffe responded to public comment.

MOTION: Director LaHue; Second: Director Jaffe; To authorize the Board President to amend the existing professional consultant services agreement with BBK, approve the Scope of Work as presented by BBK, and authorize the General Manager to sign a purchase order in the amount not to exceed $175,000. Motion passed unanimously. Director Christensen ABSENT.

MOTION: Director LaHue; Second: Director Jaffe; To approve an allocation from OCR in the amount not to exceed $175,000 to fund legal services related to defending against the petitioner’s appeal of the Trial Court decision in favor of the Pure Water Soquel Project EIR. Motion passed unanimously. Director Christensen ABSENT.

7. CLOSED SESSION

7.1 Conference with Legal Counsel – Existing Litigation Pursuant to Government Code section §54956.9(d)(1)
Santa Cruz County Superior Court Case No. 19 CV00181; CA Sixth District Court of Appeals Case No. 19AP00031
(Steinbruner vs. Soquel Creek Water District et al.)

At 7:58 pm, President Daniels announced that the Board will meet in closed session to discuss Item 7.1.

One public comment was heard prior to the start of closed session.

CONVENE TO CLOSED SESSION – 8:01 pm

RETURN TO OPEN SESSION – 8:11 pm

President Daniels adjourned the closed session and returned to open session at 8:11 pm.

President Daniels reported that the Board discussed Item 7.1 in closed session. No action was taken.
8. ADJOURNMENT

President Daniels adjourned the meeting at 8:12 pm.

SUBMITTED:    APPROVED:

Emma Olin, Board Clerk    Dr. Bruce Daniels, President