President Daniels called the regular meeting to order at 6:02 pm at the Cabrillo College Environmental Horticulture Center, 5005 Horticulture Building, Sanders Avenue, Aptos, CA 95003.

President Daniels announced that the closed session (Item 7.1) has been removed from the agenda. He stated that there will be no public comment on Item 7.1, since no closed session will be held.

1. **CALL TO ORDER AND ROLL CALL**

Board Members Present:
- Dr. Bruce Daniels, President
- Rachél Lather, Vice-President
- Carla Christensen
- 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
- Christine Mead, Operations & Maintenance Manager
- Melanie Mow Schumacher, Special Projects-Communications Manager
- Emma Olin, Executive Assistant/Board Clerk
- Skyler Murphy, Water Resources Planner

Others Present:
- 2 members of the public
- Chad Brown, Black and Veatch
- Mari Garza Bird, Black and Veatch
- Dave Carlson, Black and Veatch
- Anup Shah, Brown and Caldwell
- Jann Yamauchi, Brown and Caldwell
- Jean Pedley, Brown and Caldwell
- Ron Ablin, Brown and Caldwell
- Brandon Sherman, WaterSmart
2. PUBLIC HEARING - None

3. ANNOUNCEMENT BY BOARD MEMBERS OF ITEMS REMOVED FROM CONSENT AGENDA

Director Christensen requested that Item 4.6, Granite Way Well Site Improvements Project, CWO 11-137, Accept Project as Complete, File Notice of Completion, be removed from the Consent Agenda for discussion. She noted that a public member also requested that this item be removed for discussion.

Director Christensen asked that public members provide an explanation with requests to remove Consent Agenda Items for discussion.

President Daniels requested that Item 4.4, Approve Funding from Operating Contingency Reserve to Fund WaterSmart Software Customer Engagement Portal, be removed from the Consent Agenda for discussion.

President Daniels removed Consent Agenda Items 4.4 and 4.6.

4. CONSENT AGENDA

MOTION: Director LaHue; Second: Director Jaffe; To approve Consent Agenda Items 4.1, 4.2, 4.3 and 4.5. Motion passed unanimously.

4.1 Approval of Minutes
   4.1.1 February 18, 2020 – Regular Meeting Minutes
   Action: Approved

4.2 Board Planning Calendar
   Action: Approved

4.3 Special Board Assignments Status Report
   Action: Approved

4.4 Approve Funding from Operating Contingency Reserve to Fund WaterSmart Software Customer Engagement Portal
   Action: Removed from Consent; Discussed at the end of Administrative Business

4.5 Approve Extension to Temporary Variance for 1-inch Meter for Residents of Ventana Court
   Action: Approved

4.6 Granite Way Well Site Improvements Project, CWO 11-137, Accept Project as Complete, File Notice of Completion
   Action: Removed from Consent; Discussed at the end of Administrative Business

5. ORAL AND WRITTEN COMMUNICATIONS (items not on the Agenda)

Written communications addressed to the Board are available online.

One public comment was heard.

6. REPORTS – None
7. **ADMINISTRATIVE BUSINESS**

7.1 Conditional and Unconditional Will Serve Letters

7.1.1 Conditional Will Serve for Tier II Single Family Home at 4077 Cherryvale Ave., Soquel. APN: 104-221-18 (Andrade)

Mr. Dufour stated that the proposed development will serve one new single-family home on 1.05 acres.

One public comment was heard.

The Board responded to public comment.

**MOTION:** Director LaHue; Second: Director Christensen; To authorize the District's standard conditional will serve letter indicating the District will serve the proposed single-family residence at 4077 Cherryvale Ave. in Soquel (APN 104-221-18) (Andrade). President Daniels voted NO. Motion passed (4:1).

7.2 Authorize Entering into a Design-Build Agreement for Progressive Design-Build Services for the Treatment Facilities Project of the Pure Water Soquel Program, Phase 1 Cost and Scope of Work

Ms. Mow Schumacher reviewed Item 7.2 (presentation available [online](#)).

Ms. Mow Schumacher provided an overview of the District’s Pure Water Soquel (PWS) Program, which will prevent further seawater intrusion and develop an affordable, reliable, and drought-resistant supplemental water supply. She reviewed the PWS Program’s three primary components:

1. Advanced Water Purification Treatment (Treatment Facilities Project)
2. Conveyance Infrastructure Project
3. Seawater Intrusion Prevention (SWIP) Recharge Wells Project

Ms. Mow Schumacher stated that Item 7.2 is presented to the Board to request authorization to enter into a design build agreement with Black and Veatch Construction, Inc. (BVCI), for progressive design build services for Phase 1 (design and preconstruction phase) of the Treatment Facilities Project. She noted that Filanc Construction and Trussell Technologies will serve as a sub-consultants to BVCI.

Ms. Mow Schumacher stated that the Treatment Facilities Project will include the design and construction of a new tertiary treatment facility at the existing Santa Cruz Waste Water Treatment Facility (WWTF), and a new Advanced Water Purification Facility (AWPF) at the District’s Chanticleer site.

Ms. Mow Schumacher reviewed the procurement and selection process used to recommend the design build team (BVCI, Filanc Construction and Trussell Technologies). She introduced the proposed team members, who are present at tonight’s meeting.

Ms. Mow Schumacher stated that the design build team anticipates presenting the Phase 2 Amendment for approval in fall 2020. She noted that the agreement includes an 8% mark up (4% overhead + 4% profit), and “open book” accounting will be utilized.

Ms. Mow Schumacher stated that the cost for Phase 1 of the Treatment Facilities Project is an amount not to exceed $6,281,839. This is included in the Fiscal Year 2019/2020 Budget. She noted that the District has received preliminary award for a $50M grant through the Prop 1 Groundwater Program which will provide funding assistance for the Treatment Facilities Project.
Ms. Mow Schumacher presented an updated Phase 1 Fee Table (Page 105 of the Board Packet), noting that the prior version was short $1.00.

Board discussion ensued, and Ms. Mow Schumacher responded to a variety of Board questions:

- Guaranteed Price (GP) submittals will provide project cost updates during project design and prior to submittal of the Guaranteed Maximum Price (GMP) at 60% project design. The GMP will be the contractually binding maximum price of the project. If the District chooses, a GP could be selected as the project maximum price and converted to a GMP (with the understanding that there would be higher contingency included in the price due to design uncertainty).
- The Operations and Maintenance At Risk (OMAR) contract is likely to be awarded in April 2020, and the OMAR team will work closely with the design build team;
- If the Board determines that the Treatment Facilities Project of the Pure Water Soquel Program is “substantially complex,” then the Board may authorize a retention amount for progress payments during Phase 2 of ten percent (retention is usually limited by the Public Contract Code to five percent);
- Staff considers this project to be “substantially complex,” based on the Project schedule, the use of various construction methods, coordination with multiple jurisdictions, and integration of the Project with the other components of the overall Program.

One public comment was heard.

The Board responded to public comment.

**MOTION:** Director LaHue; Second: President Daniels; To adopt Resolution 20-09 ([Attachment 2](#)) authorizing the award of the Design-Build Agreement to Black & Veatch Construction, Inc. for design and construction services for the Treatment Facilities Project of the Pure Water Soquel Program; and authorize execution of the agreement by the Board President or the General Manager, and authorize the General Manager to sign a purchase order in the amount not to exceed $6,281,839 for Phase 1 services. Motion passed by unanimous roll call vote.

**MOTION:** Director LaHue; Second: President Daniels; To adopt Resolution 20-10 ([Attachment 3](#)) to approve the finding that the Treatment Facilities Project of the Pure Water Soquel Program is “substantially complex,” and authorize a retention amount for progress payments during Phase 2 of ten (10%). Motion passed by unanimous roll call vote.

### 7.3 Informational – City of Santa Cruz Water Department’s Water Supply Augmentation Strategy Work Plan Schedule

Mr. Duncan shared the City of Santa Cruz Water Department’s Water Supply Augmentation Strategy Work Plan Schedule, which includes the following:

- Planning Work
- Modeling and Climate Analyses
- Water Transfers
- Beltz Aquifer Storage and Recovery (ASR)
- Santa Margarita Aquifer Storage and Recovery (ASR)
- Recycled Water Options

Director Jaffe discussed the report, noting the timeline and the complexity of the projects under evaluation. Director Christensen agreed.
Mr. Duncan stated that he will invite the City of Santa Cruz to provide an update at a future Board Meeting.

One public comment was heard.

**INFORMATION ITEM ONLY**

7.4 Informational – Annual County Water Report

Mr. Duncan reviewed the County of Santa Cruz’s Annual Water Report. He acknowledged the kind message about the District’s Communications Specialist, Vaidehi Campbell, that was included in the report.

A discussion ensued regarding Figure 2: Municipal water use and rainfall, 1984-2019 (Page 130 of the Board Packet). Mr. Duncan confirmed that the District will continue to monitor the recent increase in water production.

**INFORMATION ITEM ONLY**

7.5 Authorize District Representatives to Continue Efforts to Obtain Federal Funding Assistance in Washington, D.C.

Mr. Duncan requested that the Board authorize and designate up to two (2) Directors to meet with federal representatives in Washington, D.C., to continue efforts to obtain additional federal assistance (e.g., grant funding and loans), for water supply projects. He confirmed that the General Manager will designate staff to attend.

Mr. Duncan noted that the trip may include a visit with the Bureau of Reclamation in Denver, CO, on the return or departure to D.C.

Two public comments were heard.

The Board expressed support for meeting with federal representatives, emphasizing the value of grants and loans for District customers.

Board discussion ensued. There was support for selecting one Director with prior experience meeting with federal representatives and one Director that has not participated previously. There was consensus to designate President Daniels and Vice-President Lather to represent the District. Director Jaffe suggested that the Board select Director LaHue as an alternate if President Daniels and Vice-President Lather cannot attend.

**MOTION:** Director Jaffe; Second: Director Christensen; To authorize and designate President Daniels and Vice-President Lather (and Director LaHue as an alternate) to meet with federal representatives in Washington, D.C. to continue efforts to obtain additional federal assistance (e.g., grant funding and loans). Motion passed unanimously.

7.6 Consider Nomination of District Representative on the California Special District Association (CSDA) Board of Directors
Mr. Duncan stated that the California Special District Association (CSDA) is currently seeking nominations for the following two positions:
1. Seat B of the Coastal Network for the 2020-2022 term (vacancy position)
2. Seat C of the Coastal Network for the 2021-2023 term

Mr. Duncan stated that CSDA provides value to the District by offering education and training, legislative support and representation, collaboration opportunities with other special districts and current information.

Mr. Duncan stated that this item is presented to the Board to consider nominating a Board Member (or the General Manager) to run for one of the open seats. He suggested that the Board consider nomination for the vacant seat (Seat B), explaining that the incumbent plans to run for Seat C.

A discussion ensued regarding the commitment and expectation for Board Members on CSDA. Mr. Duncan confirmed that Board Members are expected to attend all Board Meetings (4-5 times a year in Sacramento), serve on at least one committee (3-5 times a year in Sacramento), participate in CSDA’s annual events (Special Districts Legislative Days and the CSDA Annual Conference), and complete required CSDA’s Special District Leadership Academy within two years of being elected.

Director Christensen expressed interest in running for Seat B of the Coastal Network on the CSDA Board, recognizing its value for special districts.

There was consensus among the Board to nominate Director Christensen for Seat B and authorize Director Christensen to determine if the commitment is feasible.

MOTION: Director Jaffe; Second: Vice-President Lather; To nominate Director Christensen for Seat B of the Coastal Network for the California Special District Association (CSDA) Board of Directors; authorize Director Christensen to determine if the commitment is feasible; and direct staff to submit a candidate nomination form if appropriate. Motion passed unanimously.

4. **CONSENT AGENDA - ITEMS REMOVED FOR DISCUSSION**

4.4 Approve Funding from Operating Contingency Reserve to Fund WaterSmart Software Customer Engagement Portal

President Daniels discussed the possibility of testing the WaterSmart software before authorizing funding for the proposal ($55,365). Ms. Flock explained that there is not an option to test the software with customers prior to purchase; however, there will be a pilot period before the software is rolled out to District customers.

Director Jaffe questioned if the District can purchase software for a portion of the District service area prior to authorizing the full proposal of 14,480 meters (to ensure that the customer portal is working well and meeting the District’s needs). Ms. Flock introduced Brandon Sherman, WaterSmart consultant, who is present at tonight’s meeting. Mr. Sherman stated that the proposal may be adjusted at the Board’s discretion, emphasizing that WaterSmart is flexible and willing to work with the District.

Ms. Flock stated that staff worked with a group of water utilities who gave positive feedback and reported customer satisfaction with WaterSmart. She noted that staff has worked with Scotts Valley Water District who provided a demonstration of the WaterSmart customer portal and shared...
information and lessons-learned on their roll-out of the portal. She stated that staff is confident in the software.

The Board thanked staff for working with other agencies to evaluate the software.

**MOTION:** Director LaHue; Second: Director Christensen: To authorize the allocation of $55,365 from OCR to fund the WaterSmart Customer Engagement Portal for one year. Motion passed unanimously.

### 4.6 Granite Way Well Site Improvements Project, CWO 11-137, Accept Project as Complete, File Notice of Completion

Director Christensen expressed appreciation for the completion of the Granite Way Well Site Improvements Project. She noted that a public member requested this item be removed for discussion.

One public comment was heard.

Board and staff responded to public comment.

Director Jaffe stated a discussion of the aesthetics of District facilities is agendized.

**MOTION:** Director LaHue; Second: Director Christensen: To accept the Granite Way Well Site Infrastructure Project as Complete and File a Notice of Completion, CWO 11-137. Motion passed unanimously.

### 8. CLOSED SESSION - Item removed

### 8.1 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.)

### 9. ADJOURNMENT

President Daniels adjourned the meeting at 7:35 pm.

**SUBMITTED:**

Emma Olin, Board Clerk

**APPROVED:**

Dr. Bruce Daniels, President