President Daniels called the regular meeting to order at 6:00 pm via Zoom Teleconference.

President Daniels announced that Closed Session Item 8.2 has been removed from the agenda. He stated that there will be no public comment on Item 8.2, 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
   - Rebecca Rubin, Public Outreach Coordinator
   - Ryan Kinney, Supervising Accountant

   **Others Present:**
   - 2 members of the public
   - Mark Millan, Data Instincts
   - Dave Metz, FM3 Research

2. **PUBLIC HEARING - None**

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

   President Daniels asked that public members provide an explanation with requests to remove Consent Agenda Items for discussion. This helps the Board determine if an item should remain on consent or be pulled for discussion.
Director LaHue requested that Items 4.5, 4.6, and 4.7 be removed from the Consent Agenda for discussion. He stated that a public member requested that these items be removed for discussion.

Vice-President Lather stated that she would also like further discussion on Item 4.6.

Director Jaffe requested that Item 4.12 be removed from the Consent Agenda for discussion.

President Daniels removed Consent Agenda Items 4.5, 4.6, and 4.7 and 4.12.

4. CONSENT AGENDA

Director Christensen expressed support for Item 4.9, and she thanked Ms. Hart and staff for their efforts during the COVID-19 pandemic.

MOTION: Director LaHue; Second: Vice-President Lather; To approve Consent Agenda Items 4.1, 4.2, 4.3, 4.4, 4.8, 4.9, 4.10 and 4.11. Motion passed by unanimous roll call vote.

4.1 Approval of Minutes
   4.1.1 April 7, 2020 – Regular Meeting Minutes
   Action: Approved

4.2 Board Planning Calendar
   Action: Approved

4.3 Special Board Assignments Status Report
   Action: Approved

4.4 General Manager Purchase Order Approval
   Action: Approved

4.5 March Warrants
   Action: Removed from Consent; Discussed at the end of Administrative Business

4.6 Production Reports
   Action: Removed from Consent; Discussed at the end of Administrative Business

4.7 Management Update
   Action: Removed from Consent; Discussed at the end of Administrative Business

4.8 Informational - Annual System Water Production Status Report, 2019
   Action: Approved

4.9 Letter of Support to Congress for Coronavirus Public Employer Tax Relief
   Action: Approved

4.10 District Standing Committees – Public Member Appointments
    Action: Approved

4.11 Cypress View Subdivision, Accept as Complete, CWO 06-008
    Action: Approved

4.12 District’s ’What’s On Tap’ Q1 2020 Newsletter – Volume 22, No. 1
    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**

6.1 District Counsel – Oral Report

Mr. Nelson provided an update to the Board, noting that the State’s Brown Act modifications and the County of Santa Cruz’s shelter-in-place order remain in effect due to the COVID-19 pandemic.

7. **ADMINISTRATIVE BUSINESS**

7.1 Conditional and Unconditional Will Serve Letters – *None*

7.2 Key Findings from 2020 Soquel Creek Water District Community Survey

Ms. Mow Schumacher stated that FM3 Research conducted a survey in January 2020 to explore and better understand the community’s awareness and concerns about the District’s water supply and challenges, and the attitudes toward the District and its supplemental supply efforts.

Ms. Mow Schumacher introduced Mr. Metz with FM3 Research who is presenting the key findings from the 2020 Community Survey at tonight’s meeting.

Mr. Metz reviewed the survey results (presentation available [online]). He stated the results are positive overall and consistent with survey results of other California water agencies.

Ms. Mow Schumacher explained that this presentation provides the survey’s key findings, and the finalized results can be presented at a future board meeting, if the Board desires. She stated that staff wanted to make the pertinent survey results available to help inform the 2020-21 budget discussions (Item 7.3).

Mr. Metz explained that the finalized results will include additional details about methodology, demographics and other findings related to messaging and communication.

One public comment was heard.

The Board and Mr. Metz responded to public comment.

Mr. Metz responded to a variety of Board questions.

There was consensus among the Board to continue the District’s outreach and educational efforts and use the survey data to help guide, improve and accelerate the District’s efforts.

Director Christensen recognized the District’s hard work on outreach and education and stated that she is looking forward to using the survey data to enhance messaging and communication.

President Daniels noted that the District’s name, “Soquel Creek Water District,” may cause confusion about the source of the District’s water (the District relies solely on groundwater as its water supply). Director Jaffe agreed.
Director Jaffe expressed support for a presentation of the finalized survey results with additional information on the methodology. Director LaHue agreed, adding that it may be helpful to include survey results from other similar agencies, if possible. President Daniels stated that an understanding of the survey’s “maximum practical limits” may help the District create improvement goals.

Ms. Mow Schumacher noted that the 2015 survey results are available on the District’s website.

The Board expressed appreciation for the informative presentation.

**MOTION:** Director Christensen; Second: Director LaHue; To direct staff to return at a future date with the completed survey report and/or associated presentation. Motion passed by unanimous roll call vote.

7.3 Discuss Economic Conditions, Funding Forecasts and Budget Formulation, and Review/Seek Input on FY 2020/21 Draft Budget Projections

Ms. Strohm reviewed Item 7.3 and discussed the Fiscal Year (FY) 2020/21 draft budget (presentation available online). She stated that the 2020/21 budget is being formulated in a unique and uncertain economic environment (due to COVID-19, a recessionary economy, a mega drought and global warming).

Mr. Duncan discussed the District's short-term and long-term plans to care for District customers and the aquifer during these uncertain times. He stated that these plans have shaped the development of the annual budget.

Ms. Strohm stated that staff has reduced the 2020/21 budget by $1.2 million to balance the budget and control expenditures. She shared Mr. Duncan’s sentiment regarding the 2020/21 budget: “the District has been frugal, and it is time to be prudent.”

Ms. Strohm stated that the District has been awarded the following state and federal funding to offset costs for the Pure Water Soquel advanced water purification project:
- District awarded a $50 million Proposition 1 Implementation Grant from the State Water Resources Control Board (SWRCB);
- District awarded a $36 million in low-interest loan funds from the State's Seawater Intrusion Control Fund (SWIC);
- District is working to secure the federal Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) low-interest loan.

Ms. Strohm explained that both state and federal funds have reimbursement procedures that have cash flow implications; therefore, the District is looking to enter into an interim debt agreement and secure funds for immediate cash flow needs before the end of the 2019/20 fiscal year. She stated that an interim debt agreement will be brought to the Board for approval at either the May 19, 2020, or June 2, 2020, Board Meeting.

Ms. Strohm stated that a complete draft of the 2019/20 budget will be presented at the June 2, 2020, Board Meeting. Any feedback received at the June 2nd Board Meeting will be incorporated in the final 2020/21 budget, which will be brought to the board, if needed, for approval at the June 16th Board Meeting.

One public comment was heard.

Ms. Strohm and staff responded to Board questions and highlighted the following:
- Staff is hopeful that the District will utilize a Revolving Credit Agreement (RCA) for interim financing;
• An RCA is the most flexible option and functions similar to a credit card – funds can be drawn and will accrue interest and may be repaid at any time;
• Staff anticipates that the District’s 2013 Certificates of Participation (COP) funds will be exhausted during FY 2020/21 (for the Quail Run Tank Design & Construction and Soquel Drive Cast Iron Main Replacement);
• The Administrative and General Support budget has increased for FY 2020/21 due to increases in insurance costs, legal costs and network support;
• The Santa Cruz Mid-County Groundwater Agency (MGA) is responsible for funding the Annual Groundwater Report and various grant awards to the MGA have offset contribution costs from agencies;
• The Conservation and Customer Service budget includes funding for the 2020 Urban Water Management Plan (UWMP), which is prepared every five years;
• The Conservation and Customer Service budget has reduced rebates by $60,000 (rebates have declined);
• The Operations and Maintenance budget includes funding for the District’s contribution to the County-Wide Juvenile Steelhead and Stream Habitat (JSSH) Monitoring Program.

Director Christensen discussed how the Automated Metering and Infrastructure (AMI) Project will help District customers save water and money. She suggested that the District offer a training workshop for customers when the AMI customer portal is operational.

A discussion ensued regarding the water purchase and transfer with the City of Santa Cruz. Ms. Strohm stated that the 2020/21 budget has reduced funding to $90,000, noting that the water transfer agreement is valid through December 2020. Ms. Mead explained that $90,000 assumes water purchase for two months with testing and monitoring before and after the transfer.

The Board expressed appreciation for staff’s exceptional work on the 2020/21 draft budget.

4. CONSENT AGENDA - ITEMS REMOVED FOR DISCUSSION

4.5 March Warrants

One public comment was heard.

MOTION: Director LaHue; Second: Vice-President Lather: To Approve Item 4.5: March Warrants. Motion passed by unanimous roll call vote.

4.6 Production Reports

One public comment was heard.

The Board responded to public comment.

Vice-President Lather requested that a consistent color be used for 2020 in each report. Director LaHue agreed.

A discussion ensued regarding rainfall levels and production. President Daniels noted that rainfall is 6 inches below normal to date.

INFORMATION ONLY

4.7 Management Update
One public comment was heard.

In response to a question posed by Director LaHue, Mr. Dufour confirmed that Corona Environmental Consulting completed its analysis of the ammonia levels at O’Neill Well, and an informational item can be presented at a future Board Meeting.

Director Jaffe thanked Kathi Hart (Ms. Hart’s mother) for making face masks for District staff.

INFORMATION ONLY

4.12 District’s ‘What’s On Tap’ Q1 2020 Newsletter – Volume 22, No. 1

One public comment was heard.

Mr. Duncan confirmed that staff will update the following statement prior to publication: “hydrologists determined that 5.99 units of water per household per day month.”

Director Jaffe suggested that the following edits be made prior to publication:
• Get to Know the District: Remove “that percolates under the ground;”
• COVID-19: Three Important Points to Reassure Our Customers During this Pandemic: Modify language to clarify that groundwater is not “regularly tested” for COVID-19 specifically (note that groundwater is regularly tested for pathogens including viruses).

Director LaHue suggested that the following edits be made prior to publication:
• Move section “What do Overdraft, Seawater Intrusion, and Sustainability Mean?” to the first page of the newsletter;
• What do Overdraft, Seawater Intrusion, and Sustainability Mean?: Replace information about the Community Water Plan (CWP) with information about Pure Water Soquel under “What is the District doing to solve these challenges?”
• New Water Use Monitoring Tool for Customers Coming this Fall: State that this tool will help customers save water and money and protect against seawater intrusion; include image of interface (if possible);
• Question Corner: Add that the District is a not-for-profit agency.

INFORMATION ONLY

8. CLOSED SESSION

8.1 Conference with Legal Counsel – Pending Litigation Pursuant to Government Code Section 54956.9(d)
123-TCP
San Bernardino Superior Court Case No. CGC-16-554039, Judicial Council Coordination Proceeding No. 4435
(Soquel Creek Water District v. The Chemical Company, et al.)

8.2 Item Removed from Agenda
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 8:21 pm, President Daniels announced that the Board will meet in closed session to discuss Item 8.1.

CONVENE TO CLOSED SESSION – 8:21 pm

RETURN TO OPEN SESSION – 9:03 pm

President Daniels adjourned the closed session and returned to open session at 9:03 pm.

Ms. Rubin reported that the Board discussed Item 8.1 in closed session. No action was taken.

9. **ADJOURNMENT**

President Daniels adjourned the meeting at 9:03 pm.

SUBMITTED:  
___________________________________________  APPROVED:  
___________________________________________
Emma Olin, Board Clerk  Dr. Bruce Daniels, President