President Daniels called the regular meeting to order at 6:05 pm via Zoom Teleconference.

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
   - Eileen Eisner-Streller, Assistant Engineer II

   **Others Present:**
   - 3 members of the public
   - Mark Millan, Data Instincts
   - Lidia Gutierrez, Gutierrez Consultants
   - James Wawrzyńiak, Jones Hall
   - Greg Swartz, Piper Sandler
   - Thomas Innis, Piper Sandler

2. **PUBLIC HEARING** - None

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

   Director LaHue requested that Items 4.3, 4.4 and 4.12 be removed from the Consent Agenda for discussion. He stated that a public member requested that Items 4.3 and 4.4 be removed for discussion.

   President Daniels removed Consent Agenda Items 4.3, 4.4 and 4.12.
4. **CONSENT AGENDA**

Director Christensen requested that an item be agendized to discuss the structure of the standing committees.

MOTION: Director LaHue; Second: Director Christensen; To approve Consent Agenda Items 4.1, 4.2, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.13, 4.14 and 4.15. Motion passed by unanimous roll call vote.

4.1 Approval of Minutes  
4.1.1 July 21, 2020 – Regular Meeting Minutes  
*Action: Approved*

4.2 Board Planning Calendar  
*Action: Approved*

4.3 Special Board Assignments Status Report  
*Action: Removed from Consent; Discussed at the end of Administrative Business*

4.4 Finance Status Report  
*Action: Removed from Consent; Discussed at the end of Administrative Business*

4.5 Production Reports  
*Action: Approved*

4.6 Management Update  
*Action: Approved*

4.7 Finance and Administrative Services Committee Meeting Summary  
*Action: Approved*

4.8 Public Outreach Committee Meeting Summary  
*Action: Approved*

4.9 Water Resources Management and Infrastructure Committee Meeting Summary  
*Action: Approved*

4.10 Authorize General Manager to Sign a Letter of Support for Pajaro Valley Water Management Agency’s Water Right Application and Request for Release of Priority for the College Lake Integrated Resources Management Project  
*Action: Approved*

4.11 Approve Purchase of Dump Truck  
*Action: Approved*

4.12 Receive the District’s 2019-20 Community Report  
*Action: Removed from Consent; Discussed at the end of Administrative Business*

4.13 Small Claims Report for July 2020  
*Action: Approved*

4.14 Approve Temporary Hire – Retired Annuitant Special Project: Soquel Drive Main Replacement  
*Action: Approved*
4.15 Consider Cancelation of the September 1, 2020 Board Meeting
   *Action: Approved*

5. **ORAL AND WRITTEN COMMUNICATIONS** (items not on the Agenda) – *Discussed at the end of Administrative Business*

6. **REPORTS**
   6.1 District Counsel – Oral Report – *Item 6.1 removed from the agenda*

7. **ADMINISTRATIVE BUSINESS**
   7.1 Conditional and Unconditional Will Serve Letters – *None*

   7.2 Resolution Authorizing and Directing Execution of a WIFIA Loan Agreement in Maximum Principal Amount (Excluding Capitalized Interest) of $88,974,400 with the United States Environmental Protection Agency, and Authorizing and Directing Additional Actions With Respect Thereto

   Ms. Strohm reviewed Item 7.2, requesting that the Board consider authorizing the District to execute the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement with the U.S. EPA to borrow up to $88,974,400. She explained that the District can draw up to the maximum loan amount and will draw only the amount necessary for project completion.

   One public comment was heard.

   Board discussion ensued, and Ms. Strohm and Mr. Wawrzyniak (Jones Hall) responded to a variety of Board questions regarding interest rates and eligible expenditures.

   Directors expressed support for the loan agreement, emphasizing the value for District customers.

   **MOTION**: Director LaHue; Second: Director Christensen; To approve Resolution 20-23 Authorizing and Directing Execution of a WIFIA Loan Agreement in Maximum Principal Amount (Excluding Capitalized Interest) of $88,974,400 with the U.S. EPA. Motion passed by unanimous roll call vote.

7.3 Approval of Agreement for Option to Purchase Real Property at 2455 Chanticleer Avenue, Santa Cruz, CA and the Wording and Terms Regarding the Purchase Sale Agreement

   Mr. Duncan stated that negotiations for the purchase option for 2455 Chanticleer Avenue (Provision Glass & Window) have concluded. He requested that the Board consider approving the purchase option agreement for 2455 Chanticleer and approve the language and terms associated with the purchase and sale agreement (Exhibit C).

   Mr. Duncan stated that if the District desires to consider purchasing the property at a future date (and thus exercise the purchase option), staff will return at that time for Board consideration.

   One public comment was heard.

   Directors expressed support for moving forward with the purchase option agreement for 2455 Chanticleer. There was consensus that the site may provide a good location for a learning center and operational facility. Mr. Duncan agreed, emphasizing the value for the community.
MOTION: Director Christensen; Second: Vice-President Lather; To direct the authorized District representative (i.e. the Board President) to sign the Agreement for Option to Purchase Real Property for APN 029-013-57 and direct staff to return to the Board in the future potential exercise of such option. Motion passed by unanimous roll call vote.

7.4 Informational - Phase 2 Water Transfer Water Quality Results

Ms. Mead presented the water quality results of the Phase 2 water transfer with the City of Santa Cruz. She stated that the water quality issue of primary concern identified through the Phase 2 monitoring is the concentrations of disinfection byproducts (DBPs). She reviewed the trihalomethanes (TTHMs) and haloacetic acids (HAA5s) data included in the memo.

One public comment was heard.

Board discussion ensued, and staff responded to a variety of Board questions:
- The Water Transfer Pilot Project agreement expires December 31, 2020;
- Staff is working with the City of Santa Cruz to develop a new water transfer agreement; negotiations will move forward when the City's rate study is complete (anticipated in early Fall);
- The levels of DBPs in the surface water are in general higher than the District's water supply and fluctuate depending upon which City sources are in use at the time;
- DBPs increase with water age and are expected to increase as the City's water moves through the District's distribution system;
- Measures to reduce DBPs include managing water levels and installing air strippers in water storage tanks;
- The District's budget for fiscal year 2020/21 includes budget for 2 months of water purchase and associated water-quality monitoring (approximately $90,000).

Directors expressed concern about the concentrations of DBPs. President Daniels noted that this year's data reflects a short water transfer period (December 6, 2019 to January 31, 2020). He anticipates DBPs to increase as the water transfer period expands (through April 2020). Director Jaffe requested that staff continue to research measures to help reduce the concentrations of DBPs. President Daniels also noted the City of Santa Cruz tests for Chemicals of Emerging Concern (CECs) in its surface water sources and the various detections.

A discussion ensued regarding the cost of purchased water. Mr. Duncan explained that the cost of water paid for and received from the City during the pilot does not reflect the total cost (e.g. staff time, reporting). Director Jaffe requested that staff present an approximate total cost of the purchased water at a future Board Meeting.

INFORMATION ONLY

4. CONSENT AGENDA - ITEMS REMOVED FOR DISCUSSION

4.3 Special Board Assignments Status Report

One public comment was heard.

Ms. Strohm and Mr. Duncan responded to public comment.

INFORMATION ONLY
4.4 Finance Status Report

One public comment was heard.

Director Jaffe responded to public comment.

INFORMATION ONLY

4.12 Receive the District's 2019-20 Community Report

Director LaHue thanked staff for the Community Report and made the following suggestions:

• Include project description of Pure Water Soquel in a prominent location;
• Provide information on the WaterSmart Customer Engagement Portal (page 102);
• Replace “big plans for our future water supply” with more specific language (page 104);
• Reorder Finance and Customer Service accomplishments with “balanced budget” at the top of the list (page 104);
• Include link to District transparency web page (page 104);
• Replaced “leveraged” with “saved” (page 104);
• Include #inthistogogether (page 107).

Director Jaffe expressed appreciation for the customer service department, noting that staff responded to approximately 100,000 phone calls.

Director Jaffe suggested that the report include a description of the “i-Meter” (page 102).

Ms. Mow Schumacher thanked Directors for their input.

INFORMATION ONLY

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

Written communications addressed to the Board are available online.

One public comment was heard.

Directors responded to public comment.

Directors volunteered to participate in the beta testing for the WaterSmart Customer Engagement Portal.

Director Jaffe discussed the grant and loan funding opportunities and benefits to customers.

8. CLOSED SESSION

8.1 Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section §54956.9(d)(1)
Steinbruner vs. Soquel Creek Water District et al., Santa Cruz County Superior Court Case No. 19 CV00181; CA Sixth District Court of Appeals Case No. 19AP00031
Steinbruner v. California Coastal Commission, et al., San Francisco Superior Court, Case No. Unspecified.

At 7:29 pm, President Daniels announced that the Board will meet in closed session to discuss Item 8.1.
One public comment was heard prior to the start of closed session.

**CONVENE TO CLOSED SESSION – 7:31 pm**

**RETURN TO OPEN SESSION – 9:21 pm**

President Daniels adjourned the closed session and returned to open session at 9:21 pm.

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

9. **ADJOURNMENT**

President Daniels adjourned the meeting at 9:21 pm.

---

**SUBMITTED:**

Emma Olin, Board Clerk

**APPROVED:**

Dr. Bruce Daniels, President