

**SCOTTS VALLEY WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
JANUARY 14, 2010**

**SCOTTS VALLEY WATER DISTRICT
BOARD ROOM, 2 CIVIC CENTER DRIVE
SCOTTS VALLEY, CALIFORNIA**

1. CONVENE MEETING

Item 1.1 President Perri called the meeting to order at 7:00 p.m.

ROLL CALL

Present: Directors Kassis, Miller, Hodgins, Kannegaard, Perri

Absent: None

Item 1.2 Pledge of Allegiance and Invocation

Director Kassis led the Pledge of Allegiance and Invocation.

Item 1.3 Closed Session Report:

Assistant General Manager/Operations Manager O'Brien reported that the Board, in closed session, gave direction to staff on Item 10.1; for Item 10.2 there was not reportable action; on Item 10.3 employee performance for Assistant General Manager, no reportable action was taken.

Item 1.4 Approval of Minutes from the Regular Board Meeting of December 10, 2009.

Director Hodgins moved, seconded by Director Miller, to approve minutes of the Regular Board Meeting of December 10, 2009, as presented. Motion carried unanimously.

Item 1.5 Reorganization of the Board for the 2010 Calendar Year

President Perri said he was happy with the way Board committees were set up; everyone is doing a good job. Director Perri will continue on as District's representative to Santa Margarita Groundwater Basin Advisory Committee. ACWA representatives will stay the same. No changes were made in any committees.

ADDITIONS/DELETIONS TO THE REGULAR AGENDA: None

PUBLIC COMMENTS ON ITEMS ON THE AGENDA: None

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: None

2. PUBLIC HEARINGS AND PRESENTATIONS:

Item 2.1 Receive Public Comments and Consider Approval of Letter Informing Senator Simitian and Others of District's Position on SB 211

President Perri opened the public hearing. He advised that the public hearing was to consider a letter based on the Board's December 10, 2009, decision on SB 211. No one from the public addressed the Board. President Perri closed the public hearing.

Assistant General Manager/Operations Manager O'Brien advised that in Item 2.1 in the agenda packet, the draft letter in front of the Board has been edited to say, the ad-hoc committee has met several times, and has generated an attached letter providing specific recommendations that address the committee's concerns.

President Perri said that since he's signing the letter he would like to change a couple things; SVWD is in favor of the concept; the letter sounds a little too clinical.

Director Kannegaard said he drafted the letter, and wants it to be to the point, that SVWD opposes the bill.

Director Miller said he had no problem making a slight change as long as the letter is sent by tomorrow.

Director Perri said he would like to add wording and start the letter with "While SVWD is in favor of preserving open space, we wish" and then continue on with "to inform you"

Assistant General Manager/Operations Manager O'Brien said he would edit the letter and contact President Perri the next morning to sign the letter and mail it.

Director Hodgkin moved, seconded by Director Miller, to approve the draft letter, with additions President Perri added. Motion carried unanimously.

Director Miller moved to disband the ad-hoc committee when SB 211 reaches its final destination.

President Perri said if it passes, there might still be a need for the ad hoc committee in the future. Director Miller withdrew his motion.

3. CONSENT AGENDA:

Item 3.1 Accept and File Emergency Expenditure of \$58,275 for Well 7A Repair and Rehabilitation

Item 3.2 Approve Budgeted Expenditure of \$12,000 for Forklift Replacement

Director Hodgkin moved, seconded by Director Kassis, to approve Consent Agenda, as presented. Motion carried unanimously.

4. ITEMS REMOVED FROM CONSENT AGENDA: None

5. DIRECTOR'S AGENDA ITEMS

Item 5.1 Individual Director Reports:

Director Hodgkin said he acquired some Huell Houser DVDs on water issues if the Board members are interested. He also acquired copies for all Board members of a booklet titled "California's Water: An LAO Primer", which some board members said they already had copies of.

Director Hodgkin advised of an ACWA/JPIA meeting in Sacramento on January 21st, and the ACWA Board annual planning session on the 28th and 29th; also on February 5th Region 5 is holding a meeting in the morning about legislative issues relating to water, followed by Region 5 Board meeting in the afternoon in Concord. He said he will attend and if any other board members would like to go with him to let him know.

Item 5.2 ACWA Update:

5.2.1 ACWA/JPIA 2010 Executive Committee Election Notice

Director Hodgkin said the Board does not need to take any action on this.

5.2.2 ACWA/JPIA Recognition

Director Hodgkin asked Accounting Manager Catalano if SVWD received a refund check from ACWA/JPIA; he advised that another fairly significant refund should be coming within the next 30 days because of ACWA/JPIA having financial success and returning some member premiums. Accounting Manager Catalano stated that he had not received or heard anything from ACWA/JPIA at this time.

Item 5.3 Anticipated Directors' Expenses: None

Item 5.4 Board Special Workshop to Review and Update Board Priority List

Assistant General Manager/Operations Manager O'Brien had the Board look at possible Saturday dates for the workshop: February 6, February 13, January 30, and March 6 were considered. The meeting was set for February 6th at 10:00 a.m.

6. COMMITTEE REPORTS:

Item 6.1 Business Administration Committee

Director Hodgin advised that the Business Administration Committee has not met since the last Board meeting.

Item 6.2 Water Resources Committee

6.2.1 Water Use Efficiency Grant Project

President Perri said staff looked at proposed conservation tracking software, and considered it not really worth the money; SVWD should spend grant money on other conservation program elements; staff will put in a request to change the use for the grant money.

Director Miller said this is the first chance he's had to mention the demonstration garden at the District Office.

Assistant General Manager/Operations Manager O'Brien said staff would encourage people to come look at the garden. President Perri said maybe the District could put one up at the park down the street, as well as at the District, and maybe include water efficient turf.

Attorney Bosso said Soquel Water District has drought tolerant turf; and maybe the park by SVWD wouldn't mind having it put in there.

6.2.2 Proposed County-Wide USGS Climate Change Modeling Project

The Committee agreed this project might be worthy of funding. President Perri said it might be a useful tool for SVWD.

6.2.3 Possible Additional Conservation Rebates

President Perri said Committee discussed the possibilities of including in the rebate program hot water re-circulating system that provide hot water relatively instantly, which saves water because you don't have to let the water run while you're waiting for it to get hot.

President Perri said the public should be informed if SVWD is going to change any rebate amount so people know it is their last chance to receive the current rebate amount; staff will talk to City about any changes in rebate amounts.

6.2.4 Development Project Review: Process and Current Projects

President Perri said the proper place for development projects discussion would be the Water Resources Committee, and maybe move to Business Administration Committee for discussion regarding fees, or Facilities Engineering Committee for design construction. He suggested passing items from committee to committee.

Director Miller said he would like to see, in staff reports, water balance of new development projects.

Assistant General Manager/Operations Manager O'Brien said that information would not be available right away, at the beginning of projects; staff gets more information as projects move along.

Item 6.3 Facilities Engineering Committee

6.3.1 Draft Engineering Feasibility Report: Recycled Water Service to Pasatiempo Golf Course

Director Miller asked if the Draft Engineering Feasibility Report had been distributed; it is not supposed to be distributed but given back.

President Perri said the preliminary draft was finished, and the committee sent comments back to Kennedy/Jenks; the report was well done.

Director Miller said Pasatiempo was very interested in operating costs, which were not in the report; 6½ million dollars in total budget including capital costs.

Assistant General Manager/Operations Manager Bill O'Brien said an additional draft supplement will be coming with O&M costs in February and then the District will know more.

6.3.2 Upcoming State and Federal Grant Opportunities

Assistant General Manager/Operations Manager O'Brien said the District put in an application to try and receive further grant money for recycled water main extension to Montevalle and Bluebonnet to the Senior Center.

6.3.3 Orchard Run Water Treatment Plant Recoating Project

Associate Engineer Smith addressed the Board regarding the punch list items that need to be completed before the new coating of the wet well will be accepted; staff hopes that the coating project will be completed soon.

6.3.4 Heritage Parks Association (Monte Fiore) System Upgrade Costs

Associate Engineer Smith reported to the Board regarding estimated numbers for putting in a tank; different kinds of lines, and the inaccessibility of the property; he explained and drew a diagram to show how booster station is designed up by Silverwood; explained how some parcels have higher pressure than other parcels, and some new developments are being constructed now up on the hill; he said storage is a problem and there needs to be a booster station even if a tank is built.

Assistant General Manager/Operations Manager O'Brien and Associate Engineer Smith explained the costs and problems involved with cross-country mains.

General Manager McNiesh will report more next month on this.

7. STAFF REPORTS

Item 7.1 Accounting/Customer Service Reports

Accounting Manager Catalano answered questions of the Board.

Director Miller said he would like to see a report on the conservation rebates, how much water is being saved by the installation of conserving devices.

Item 7.2 Operational Reports

Operations Manager Bill O'Brien reported: on certain months the 2nd Thursday comes too early to get the packet out a week before the meeting; therefore staff would like to change the April and July meetings to the 3rd Thursday of the month, which would be April 15th and July 15th; he asked if the Board would mind receiving their Board agenda packet on Monday instead of Friday before the meeting. Board members had no complaint.

Staff will, at the next Board meeting; present the Board with a calendar with dates of when all meetings are scheduled.

Item 7.3 General Manager's Report

General Manager McNiesh was on vacation.

Item 7.4 Attorney's Report: None

8. DIRECTOR'S COMMENTS ON ITEMS NOT ON THE AGENDA: None

9. MISCELLANEOUS CORRESPONDENCE: None

10. CLOSED SESSION:

The Board went into Closed Session at 8:30 p.m. with Attorney Bosso and Assistant General Manager/Operations Manager O'Brien in attendance.

- Item 10.1 Closed Session Pursuant to Government Code Section 54956.6
 - Conference with Real Property Negotiator
 - Property: Portion of Lehigh Hanson Quarry (APN 067-021-21)
 - Agency Negotiator: General Manager
 - Negotiating Parties: SVWD, Kaiser Sand & Gravel Company
 - Under Negotiation: Price and Terms of Payment

Item 10.2 Pursuant To Government Code 54956.9(b)
Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation: One (1) Case

11. CLOSED SESSION REPORT AND ACTIONS ON MATTERS RELATED TO CLOSED
SESSION

Item 10.1 Board gave direction to negotiator.
Item 10.2 No action taken.

12. ADJOURNMENT

President Perri adjourned the meeting at 8:50 p.m.

Respectfully submitted,

/s/ Deborah L. Hazen
Deborah L. Hazen, District Secretary

Approved: February 11, 2010