

**SCOTTS VALLEY WATER DISTRICT  
MINUTES OF THE  
REGULAR BOARD MEETING  
FEBRUARY 12, 2009**

**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, Hodgkin, and Perri  
Director Kannegaard by teleconference

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: None

Item 1.4 Approval of Minutes from the Regular Board Meeting of January 15, 2009.

Director Hodgkin moved, seconded by Director Kassis, to approve minutes of the Regular Board Meeting of January 15, 2009, as submitted. Motion carried unanimously, by roll call vote.

ADDITIONS/DELETIONS TO THE REGULAR AGENDA: None

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: None

2. PUBLIC HEARINGS AND PRESENTATIONS:

Item 2.1 Awards Presentation to 2009 Water Conservation Print Ad Design Contest Winners

Water Conservation Coordinator Perak thanked the public for coming to the meeting and students for participating in the contest; explained what she does with the District to bring water conservation awareness to the community; purpose of the contest was to get students' fresh ideas and increase community involvement; tomorrow's *Press Banner* would print the first place winner's ad. Ms. Perak specifically thanked teacher Emily Brandt for being in charge of the contest at the school; also Jen Isola, a

design professional at Bean Creek Studio who was one of the judges; and a representative from the *Press Banner* who also served as judge. Ms. Perak announced the third place winner Jack Fogelquist and awarded him a \$200 scholarship; announced the second place winner Jonathan Poore, whose mother accepted his \$300 scholarship award on his behalf; and announced Iggy Strbac, who won first place and received a \$500 scholarship. Board members thanked the participants and their families for their involvement.

3. CONSENT AGENDA:

- Item 3.1 Approve Resolution No. 02-09 Expressing Appreciation to Margo Hober for Eight Years of Dedicated Service on the Scotts Valley Water District Board of Directors
- Item 3.2 Approve Resolution No. 03-09 Approving California Environmental Quality Act (CEQA) Categorical Exemption for “Recycled Water Pipeline Extension” Project for Construction Activities in and along Hacienda Drive, Victor Square, and Bean Creek Road
- Item 3.3 Approve Resolution No. 04-09, Authorizing Applications to the U.S. Bureau of Reclamation for Challenge Grant Funding Entering into a Challenge Grant Agreement if Awarded, and Designating a District Representative to Execute any Such Agreement
- Item 3.4 Approve Resolution No. 05-09 Rescinding “Leak Adjustment Policy Guidelines” dated May 16, 2006 and Adopting “One-time Leak Adjustment Policy Guidelines” to Take Effect Immediately

Director Hodgins moved, seconded by Director Kassis, to approve Consent Agenda, as presented. Motion carried unanimously, by roll call vote.

4. ITEMS REMOVED FROM CONSENT AGENDA: None

5. DIRECTOR’S AGENDA ITEMS

Item 5.1 Individual Director Reports:

Director Hodgins reported on ACWA Board meeting and workshop he attended January 29-30; also attended Region 5 Board meeting on February 2<sup>nd</sup>; upcoming will be Region 5 event “Dry Times Ahead” to be held April 2-3 and hosted by Zone 7 Water Authority; also upcoming will be ACWA legislative symposium in Sacramento on March 18<sup>th</sup>; he will attend Regional Water Quality Control Board workshop in Chino on February 23-24; also recommended to other Directors that California Special Districts Association is offering a Board training program on February 19-20 in San Francisco; noted that he has attended this program and the instruction is valuable.

Director Perri expressed relief at the recent rain and discussed amount he measured and how that compares with different locations.

Director Miller advised of a Save our Shores workshop next Tuesday evening; this will be open to the public; Lisa Sloan of UCSC will speak on global warming.

Item 5.2 ACWA Update: None

Item 5.3 Anticipated Directors' Expenses: None

Item 5.4 Board Priority List

General Manager McNiesh advised that the date tentatively set for the workshop is Saturday, March 21<sup>st</sup>, at 11:00 a.m.

## 6. COMMITTEE REPORTS:

Item 6.1 Business Administration Committee

General Manager McNiesh advised that the committee did not meet; they have a meeting tentatively scheduled for March 9<sup>th</sup>.

Item 6.2 Water Resources Committee

6.2.1 Toilet Rebate Program

General Manager McNiesh reported that the committee discussed low flush conversion kits; local firm is promoting insert to reduce flush volume from 1.6 to 1.2 gallons; insert is cheaper than replacing the toilet; however, durability and other concerns remain; after discussion, committee agreed District should not sponsor customer testing, but agreed that District could help City identify potential customers for independent testing.

6.2.2 Customer Water Conservation Recognition Awards: No discussion

6.2.3 Possible Drought Response Measures: No discussion

Item 6.3 Facilities Engineering Committee

6.3.1 Recycled Water Pipelines Extension Project

General Manager McNiesh reported regarding CEQA document filing with the State; engineering work is underway; all potential customers have been contacted; he said the committee agreed the District should go ahead and get labor compliance consultant on board; cost would be 1% of construction costs or approximately \$7,000; alternative to labor compliance consultant would be to update and implement District's program; no District staff have experience in this area, so this approach is not really feasible; however, Board needs to be informed that the District's current initial program approval lapses at end of February.

Assistant General Manager/Operations Manager O'Brien reported regarding customers who were contacted, including Scotts Valley Middle School and Victor Square.

#### 6.3.2 Water Replenishment Impact Fee

General Manager McNiesh advised that the committee needs to meet again to discuss this item and before bringing it back before the Board.

#### 6.3.3 Economic Stimulus Funding Opportunities

General Manager McNiesh said it appears that funding for water projects in California will come through Department of Public Health for drinking water projects and through the State Water Resources Control Board for recycling and other water quality related projects; working with CEQA consultants, staff has identified four projects for potential funding.

#### 6.3.4 Consider Approval of Resolution No. 06-09, Approving California Environmental Quality Act (CEQA) Categorical Exemption for "Recycled Water Main Replacement and Infill" Project for construction Activities in and along Mount Hermon Road and Scotts Valley Drive

This project would consist of replacing Mt. Hermon Road recycle water main and adding infill customers along Mt. Hermon Road and Scotts Valley Drive.

#### 6.3.5 Consider Approval of Resolution No. 07-09, Approving California Environmental Quality Act (CEQA) Categorical Exemption for "Automated Water Meter" Project for Implementation within and throughout Scotts Valley Water District Service Area.

If grant funds are available, this project will occur all at once rather than being spread over multiple years.

#### 6.3.6 Consider Approval of Resolution No. 08-09 Approving California Environmental Quality Act (CEQA) Categorical Exemption for "El Pueblo and Sandhill Booster Pump Station Improvement" Project

Assistant General Manager/Operations Manager O'Brien has identified that the District needs to make some replacements for redundancy, reliability and efficiency.

#### 6.3.7 Consider Approval of Resolution No. 09-09, Approving California Environmental Quality Act (CEQA) Categorical Exemption for "Water Storage Tank Rehabilitation" Project for Improvements at Bethany Tank and Orchard Run Water Treatment Plant.

General Manager McNiesh advised that several tanks need to be recoated or replaced, and the District will do them if grant funds are received.

Director Hodgkin moved to adopt Resolutions No. 06-09, 07-09, 08-09, and 09-09, approving Items 6.3.4, 6.3.5, 6.3.6, and 6.3.7. Motion carried unanimously, by roll call vote.

## 7. STAFF REPORTS

### Item 7.1 Accounting/Customer Service Reports

Accounting Manager Catalano reported error on investment recap at page 7.2-32 of the packet; interest rates shown for the revenue account should be 0.75% instead of 0.05%; LAIF interest rate is a trailing rate for October-December, therefore appears relatively high; in contrast Wells Fargo rates are for January; noted that JPIA refunded \$3.4 million to members in January; SVWD received about \$14,000 as its portion.

There was discussion regarding shutoffs due to late payment; there were twice as many than normal this month; customers are given two notices through mail, notice on doorknob and phone call before water is actually shut off.

Director Hodgkin said the committee will be reviewing District investments to try to better interest rates.

### Item 7.2 Operational Reports

Assistant General Manager/Operations Manager O'Brien reported on historical rainfall; SVWD is still behind normal.

### Item 7.3 General Manager's Report

General Manager McNiesh mentioned environmental sites; noted Kings Cleaners site with PCE incident from 70's; soil work was done; no detection found; lingering concern from SVWD and County; Regional Water Quality Control Board (RWQCB) has determined that responsible parties need to begin new investigations; Watkins Johnson site parties continue working on close out; staff continues to express concerns to Environmental Protection Agency and RWQCB.

General Manager McNiesh reported he and Assistant General Manager/Operation Manager O'Brien met with representatives from County and Hanson Quarry regarding possible well site and potential recharge use at quarry property; quarry representatives were open to both concepts; this is one of three sites nearby that might be suitable for a well; working with Kennedy Jenks to identify which sites to move forward with; Monte Valle and Green Valley Road are the other potential sites.

### Item 7.4 Attorney's Report:

Attorney Bosso said he has reviewed a few agreements for District staff, but no litigation.

8. DIRECTOR'S COMMENTS ON ITEMS NOT ON THE AGENDA:

Director Miller questioned whether this item is necessary on the agenda; seems to duplicate Item 5.1. Other Directors stated this was useful in case new ideas occur during the course of the meeting.

9. MISCELLANEOUS CORRESPONDENCE:

Item 9.1 Letter from ACWA/JPIA Dated January 9, 2009, Congratulating District on Low Loss Ratio Award

10. CLOSED SESSION:

Director Kannegaard said he had an item he wanted to discuss in closed session, regarding his status as a Director. Attorney Bosso advised that is not an allowable topic for closed session. Director Kannegaard said he would talk to Attorney Boss about it later.

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

12. ADJOURNMENT

Director Kassis moved, seconded by Director Miller, to adjourn at 8:05 p.m. Motion carried unanimously, by roll call vote.