

**SCOTTS VALLEY WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
March 8, 2007**

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

1. CONVENE MEETING

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

Item 1.2 ROLL CALL

Present: Directors Kassis, Perri, Kannegaard, and Hodgkin

Absent: Directors Hober

Item 1.3 Pledge of Allegiance and Invocation

Director Kassis led the Pledge of Allegiance and Invocation.

Item 1.4 Approval of Minutes of the Regular Board Meeting of February 15, 2007.

Director Kassis made a motion, seconded by Director Kannegaard, to approve the minutes of the Regular Board Meeting of February 15, 2007. Motion carried unanimously, with Director Hober being absent.

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 HEARING: None

3. CONSENT AGENDA:

Item 3.1 Approve Change Order No. 1 to hydrogeologic consulting services contract with ETIC Engineering, providing for certain changes in the scope of work and a net decrease of \$3,910 in the contract amount.

General Manager McNiesh explained the contract change.

Director Kassis moved, seconded by Director Perri, to approve the Consent Agenda as presented. Motion carried unanimously, with Director Hober being absent.

4. ITEMS REMOVED FROM CONSENT AGENDA: None

5. DIRECTOR'S AGENDA ITEMS

Item 5.1 Individual Director Reports: None

Item 5.2 ACWA Update:

5.2.1 "California's Water" Town Hall, March 29, 2007

General Manager McNiesh advised that the following people plan to attend: City Councilmember Cliff Barrett, Director Hodgins, Director Perri, General Manager McNiesh and Director Kassis; there was discussion regarding transportation.

5.2.2 ACWA Spring Conference May 8-11, 2007

General Manager McNiesh said Directors Hodgins and Kassis were both registered for Board member and spouse, also for JPIA meeting on Monday; Directors Hober and Kannegaard will be attending Tuesday through Thursday; Director Perri will be attending Tuesday and Wednesday, would like to attend the ethics training Tuesday.

Item 5.3 Anticipated Directors' Expenses

General Manager McNiesh advised that an ACWA Region 5 meeting is coming up on April 15-16; Director Hodgins will be going; Director Kassis said he would probably go; Director Perri will go on Monday, April 16; Director Kannegaard said he doesn't think he has a conflict.

Item 5.4 Discuss public attendance at Board meetings

General Manager McNiesh distributed copies to Board members of a report summarizing possible actions to increase public attendance. There was discussion by the Board regarding appointing people from public to be on an advisory committee; Director Kassis said he wanted to invite the public to attend and receive information from them, also get newspaper coverage that the Board is requesting the public to attend meetings to give Board their input; General Manager McNiesh said Attorney Bosso pointed out that the value of a regular District newsletter; Director Hodgins suggested surveying customers getting their opinions about the District's water; Director Kassis said he also wants to ask the City to cooperate with the District and get together and talk with City Council; Director Kannegaard suggested instead of soliciting the whole public, solicit groups such as people on fixed income, school representatives, and so forth.

President Hodgins referred this item to Water Resources Committee to report back to the Board at a future meeting.

6. COMMITTEE REPORTS:

Item 6.1 Facilities Engineering Committee:

General Manager McNiesh reported that District now has a signed purchase agreement for the Well 10A site from Valley Gardens Golf Course; has opened escrow; needs a deed of partial reconveyance from the Golf Course's lender; next step is to get driller lined up to drill well.

Attorney Bosso said he talked to the Golf Course's lender today about the deed of partial reconveyance; escrow officer at First American Title states paperwork for closing escrow should be complete by next week.

Assistant General Manager O'Brien said he contacted the District's consultant regarding the aboveground Well 10A design work; staff determined to move forward hiring Salinas Pump to rehabilitate Well 10 for backup use using a cement plug; will need to do pump tests to verify that plug works as intended; also determined the need to replace Well 9 GAC filter media; contacted Scott Hamby to get recycled water plant up and running.

Director Kassis asked if there were grants available for Bethany University as a public entity to be able to get recycled water to its campus.

General Manager McNiesh said there are recycling grants available, but primarily for public agencies like a water district, not ordinarily for a separate institution like Bethany; suggested there might be private foundation money available; suggested a low-interest state loan administered by the District might be another possibility; stated staff could provide an estimate of what it would cost Bethany to put in recycled water.

Item 6.2 Ad Hoc Recycled Water Committee

6.2.1. Potential new recycled water services

General Manager McNiesh reported that Director Hodgin, Director Kassis, and he met with Vineyards representatives; Director Hodgin presented the Board's proposal for funding the recycled water conversion; Vineyards representatives appeared receptive, stated they would present the proposal at a Homeowners Board meeting next week. General Manager McNiesh stated he plans to attend this Homeowners meeting.

General Manager McNiesh advised that there needs to be a Facilities Engineering Committee meeting soon to discuss Well 9, 10 and 10A; Directors Perri and Kannegaard will meet March 13th at 1:00 p.m.; Water Resources Committee needs to review annual groundwater report by end of the month; Directors Kassis and Perri agreed to meet March 30th at 4:00 p.m.

7. STAFF REPORTS

Item 7.1 Accounting/Customer Service Reports

General Manager McNiesh advised that tomorrow is Interim Accountant Katherine Partida's last day; however, she has agreed to come back to help train new Accounting Manager Michael Catalano.

Item 7.2 Operational Reports

Assistant General Manager O'Brien reported that he will be looking for informative videos on recycled water, especially ones geared toward children; May is Water Awareness Month.

Item 7.3 General Manager's Report

General Manager McNiesh reported State Water Resources Control Board (SWRCB) staff has again recommended Integrated Regional Water Management (IRWM) grant funding of \$12.5 million for Northern Santa Cruz County Region; \$700,000 of this would potentially be for District recycling projects; SWRCB Board is scheduled to consider approval of the recommended funding on March 9th. General Manager noted LAFCO will hold a public hearing on its budget April 4th at 9:30 a.m.; LAFCO work list for this year includes sphere of influence updates for all county districts, including SVWD; reported staff is continuing to work with Soquel Creek Water District on water rights issue discussed at previous Board meeting; advised that UCSC student intern is working on District's website; encouraged Board members to communicate ideas for website.

Item 7.4 Attorney's Report

Attorney Bosso reported that City of Scotts Valley initially took position to require design review of Well 10A project; he communicated to City Attorney that facilities for producing and storing water are generally exempt from City and County permit requirements; the matter appears resolved.

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

9. MISCELLANEOUS CORRESPONDENCE:

Item 9.1 Transmittal of County Board of Supervisors Resolution No. 40-2007, Supporting the SWRCB Staff's Recommendations to Provide \$12.5 Million Grant Funding for the Northern Santa Cruz County Region, adopted February 6, 2007.

10. CLOSED SESSION:

There was no closed session, as neither item on the agenda required consideration.

10. REPORT AND ACTION ON CLOSED SESSION ITEMS:

General Manager McNiesh advised that the May meeting date was changed to May 17th because the regular date falls during the ACWA conference, but Attorney Bosso can not make it on the new date; the Board concurred to keep the meeting on May 17th; Attorney Bosso could provide backup if General Manager deems an attorney necessary.

11. ADJOURNMENT

Director Kassis made a motion, seconded by Director Perri, to adjourn the meeting at 8:25 p.m. Motion carried unanimously with Director Hober being absent.

Respectfully submitted,

Deborah L. Hazen, District Secretary