

**SCOTTS VALLEY WATER DISTRICT  
MINUTES OF THE  
REGULAR BOARD MEETING  
JUNE 10, 2008**

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

1. CONVENE MEETING

Item 1.1 President Hober called the meeting to order at 7:07 p.m.

ROLL CALL

Present: Directors Perri, Kassis, Kannegaard, Hodgins, and Hober

Absent: Directors None

Item 1.2 Pledge of Allegiance and Invocation

Director Kassis led the Pledge of Allegiance and Invocation.

Item 1.3 Closed Session Report:

General Manager McNiesh reported that there had been closed sessions on May 15, 2008, and May 21, 2008, regarding employee labor negotiations; there were no reportable actions taken at either of those sessions.

Item 1.4 Approval of Minutes from the Special Board Meetings of March 25, 2008 and May 21, 2008.

Director Hodgins moved, seconded by Director Kassis, to approve minutes of the Special Board Meetings of March 25, 2008 and May 21, 2008, as presented. Motion carried unanimously.

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: None

3. CONSENT AGENDA:

- Item 3.1 Approve and Authorize Board President to Execute Memorandum of Agreement with Pasatiempo Golf Club Expressing Intent to Implement “Pasatiempo Water Conservation Initiative” in Cooperation with City of Santa Cruz.
- Item 3.2 Approve Resolution No. 05-08, Declaring District’s Official Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness
- Item 3.3 Approve Resolution No. 06-08 Affirming District Policy Regarding Reimbursement of District Costs of Reviewing and Approving Development Project Proposals

Director Hodgkin pointed out two typos on Resolution 06-08, page 3.3-1 in the agenda packet, that need correction.

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

General Manager McNiesh introduced Jay Walkinshaw, General Manager of Pasatiempo Golf Club, who was present to respond to possible questions regarding Item 3.1.

4. ITEMS REMOVED FROM CONSENT AGENDA: None

5. DIRECTOR’S AGENDA ITEMS

Item 5.1 Individual Director Reports:

Director Hodgkin advised that July 11th RWQCB will be meeting in Watsonville regarding Santa Cruz County issues, timber harvesting permits, rivers.

Director Perri said he talked to a City Council member regarding a permit the District needs to provide recycled water for toilets in commercial buildings; if SVWD wants to pursue getting permit this could be discussed at committee level. General Manager McNiesh said he has made inquiries and asked Kennedy/Jenks, as part of their scope of work, to check on the process.

Director Hodgkin said he has information to give General Manager McNiesh regarding ACWA history; he toured Sonoma County recycling water facility; commented on speaker panel at ACWA conference that included both General Manager McNiesh and former General Manager Duerig.

Item 5.2 ACWA Update:

Director Hodgkin reported that he attended ACWA Board meeting in Sonoma last week where there was discussion regarding ACWA dues; dues going up; ACWA Board will be meeting again July 25<sup>th</sup>; ACWA Region 5 is meeting in Half Moon Bay on September 18-19<sup>th</sup>.

Item 5.3 Anticipated Directors' Expenses: None.

Item 5.4 Board Priority List

General Manager McNiesh noted the Board Priority List in the packet had been edited based on Business Administration Committee recommendations; would like new list approved.

Director Hodgkin moved, seconded by Director Ferri, to approve list dated June 10, 2008. Motion carried unanimously.

## 6. COMMITTEE REPORTS:

Item 6.1 Business Administration Committee

General Manager McNiesh advised that on page 6.1-1 of the agenda package there is a short summary on items discussed at the May 28th meeting regarding budget preparation; will go over detailed budget Thursday morning at 9:30. General Manager McNiesh is attempting to set up meeting with Senator Maldonado regarding proposed property tax shift.

Attorney Bosso explained that Proposition 1A poses a significant legal obstacle, if the state were to attempt a property tax shift at this time.

General Manager McNiesh discussed the District's development project review process, noting that one developer had agreed to place a deposit with the District to cover the cost of expedited review by a District consultant.

Item 6.2 Water Resources Committee

General Manager McNiesh reported that the committee has not met recently; will schedule a meeting for week of June 16<sup>th</sup>. He also advised that the Governor has issued a proclamation about the state's drought situation.

Operations Manager O'Brien reported 78% normal rainfall; UWMP does not require mandatory rationing, but calls voluntary measures; important to raise public awareness; recommended keeping voluntary conservation goal at 10% or perhaps increasing to 15%.

General Manager McNiesh shared with Board proposed enforcement mechanisms; additional committee review will be sought.

Attorney Bosso advised that if the Board is going to amend the existing Ordinance 74-83, it should clarify the meaning of "recycled water" with reference to fountains, since the District now provides recycled water but didn't at the time the ordinance was adopted.

The Board concurred to keep voluntary conservation at 10%.

General Manager McNiesh mentioned copies of newspaper articles and letters provided to the Board; suggested Thursday, June 19<sup>th</sup> at 4 pm for next committee meeting.

Item 6.3 Facilities Engineering Committee

General Manager McNiesh said the committee has not had a meeting lately, but need to work on capital improvement budget, so would like to schedule a meeting; he suggested Monday, June 16<sup>th</sup>, at 4 p.m.

7. STAFF REPORTS

Item 7.1 Accounting/Customer Service Reports

Staff answered questions of the Board.

Item 7.2 Operational Reports

Staff answered questions of the Board.

Item 7.3 General Manager's Report

General Manager McNiesh advised he has nothing more to report.

Item 7.4 Attorney's Report:

Attorney Bosso's reported regarding ACWA conference; at some point there will be a challenge on inclined block rates under 218; if successful, will have an impact on conservation.

Director Hober expressed concern regarding Director's using personal email accounts for business; this issue was discussed at ACWA conference; suggested Directors should have separate email accounts for SVWD email. General Manager McNiesh said he will check more into options.

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

Director Kannegaard thanked Board members for changing meeting to tonight, so he could attend graduations; asked about individual homeowners who would like to use recycled water, but can't because such isn't permitted; urged moving ahead with the permit change to allow recycled water in commercial toilets.

General Manager McNiesh said he would report back to the Board next month on the commercial toilet issue.

9. MISCELLANEOUS CORRESPONDENCE:

General Manager McNiesh reported about AB303 grant funding; DWR staff is recommending additional funding be provided to the program; if this recommendation is accepted, SVWD would probably be eligible for funding.

Attorney Bosso advised that starting July 1, 2008, new Brown Act requirements will be in effect; all materials furnished to the Board must be furnished to the public at the same time.

Operations Manager O'Brien advised regarding a change order request from Sanchez Incorporated for the Vineyards backflow preventer installation project; will not recommend accepting Sanchez's request of additional \$12,000; he figures legitimate claim at \$823.68; this more than offset by costs to District of more than \$4,000 caused by Sanchez-related problems.

#### 10. CLOSED SESSION:

President Hober called the Board into closed session at 8:10 p.m. All Directors were present, along with General Manager McNiesh and General Counsel Bosso. Mr. Kreisberg did not participate.

- Item 10.1 Closed Session Pursuant to Government Code Section 54957.6  
Conference with Labor Negotiators  
Agency Designated Representative: Edward L. Kreisberg (Via  
Teleconferencing), Charles McNiesh  
Employee Organization: SVWD Employee Organization

#### 11. ADJOURNMENT

The meeting was adjourned at 9:30 p.m.