

**SCOTTS VALLEY WATER DISTRICT  
MINUTES OF THE  
REGULAR BOARD MEETING  
JUNE 11, 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, Hodgin, Kannegaard and 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: None

Item 1.4 Approval of Minutes from the Regular Board Meeting of May 14, 2009.

Director Miller said in Item 2.1 Presentation, it should include the student's last names; and in the future he would like to see the full names of people who appear before the Board.

Director Kassis moved, seconded by Director Miller, to approve minutes of the Regular Board Meeting of May 14, 2009, as amended. Motion carried unanimously.

ADDITIONS/DELETIONS TO THE REGULAR AGENDA: None

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: None

2. PUBLIC HEARING: DRAFT ORDINANCE NO. 149-09 REVISING POLICY FOR TEMPORARY SERVICE FROM A HYDRANT BY AMENDING SECTION 3.25 OF ORDINANCE NO. 119-96, AS AMENDED

President Perri opened the public hearing; no one from the public addressed the Board; President Perri closed the public hearing.

Attorney Bosso explained that the reading of the ordinance would be at the next Board meeting in July, when the ordinance is adopted; tonight is only the public hearing on the ordinance.

3. CONSENT AGENDA:

- Item 3.1 Adopt Plans, Specifications and Working Details for Recycled Water Distribution System Extension Projects: Victor Square, Bean Creek and Hacienda Drive
- Item 3.2 Approve Agreement with Bauldry Engineering for Geotechnical Services in Support of Recycled Water Distribution System Extension Projects: Victor Square, Bean Creek, and Hacienda Drive
- Item 3.3 Approve Purchase of District Replacement Vehicle as Provided in FY2008-09
- Item 3.4 Approve Letter to Customers for Distribution with June 2009 Water Bills

There was discussion by the Board regarding Item 3.3, vehicle replacement.

Director Miller requested Item 3.3 be removed from the Consent Agenda; Director Perri concurred.

Director Miller moved, seconded by Director Hodgin, to approve the Consent Agenda, as amended. Motion carried unanimously.

4. ITEMS REMOVED FROM CONSENT AGENDA:

- Item 3.3 Purchase of District Replacement Vehicle as Provided in FY2008-09

Assistant General Manager O'Brien advised the Board that there were three bids; one was received by email; this bid was disqualified because it did not meet the requirement of being a sealed bid; the rejected bid came in over \$37,000; North Bay Ford submitted a bid for a used truck, and their bid for a new vehicle, a 2008 Ford F350 is \$32,465.45, without an extended warranty; the low bid is \$31,059.55 from Salinas Valley Ford and does not include an extended warranty. Mr. O'Brien requested the Board approve purchase of that vehicle even though it is approximately \$1,000 over budget. Mr. O'Brien recommended that the extended warranty be purchased, since all other SVWD vehicles have extended warranty.

There was discussion by the Board regarding truck costs and extended warranty costs, and whether or not to get the extended warranty.

Director Hodgin moved, seconded by Director Miller, to accept \$31,000 bid without the extended warranty from Salinas Valley Ford. Motion carried unanimously.

5. DIRECTOR'S AGENDA ITEMS

- Item 5.1 Individual Director Reports: None
- Item 5.2 ACWA Update

Director Hodgkin reported that he attended ACWA/JPIA session; saw Mr. Kassis at meeting; SVWD got an insurance rebate last year and could get an additional rebate.

Director Perri reported that he went to conjunctive use seminar at ACWA convention; said he is grateful the District has potential use of the quarry; said it was interesting to hear how other districts are using conjunctive use; said he went to attorney's program and received a DVD regarding land use agencies and CEQA requirements; also attended a conservation seminar; some districts are putting restrictions on commercial businesses to have no landscape.

Director Hodgkin said ACWA Board met the following week for a workshop having to do with political actions to try to get funding from federal and state governments, and ways to keep property taxes from being taken by the State away from water districts.

Item 5.3 Anticipated Directors' Expenses: None

Item 5.4 Board Priority List

No discussion on this item.

## 6. COMMITTEE REPORTS:

Item 6.1 Business Administration Committee

6.1.1 Preliminary 2009-10 Operating and Maintenance Budget

Accounting Manager Catalano reported that the committee reviewed the preliminary O&M budget and financial model results; some changes were made to some assumptions in financial model, which are included as an attachment. Directors Hodgkin and Kannegaard have copies of the updated model results; another committee meeting will be scheduled for further budget review.

Assistant Manager O'Brien said General Manager McNiesh would like to schedule a budget meeting for June 25<sup>th</sup> or June 26<sup>th</sup>; General Manager McNiesh returns from vacation June 22<sup>nd</sup>. Director Hodgkin said he might possibly be out of town those dates and will let Mr. O'Brien know as soon as possible.

There was discussion by the Board regarding moving the July Board meeting to the 16<sup>th</sup> to give more time for agenda and staff report preparation because the agenda packet would need to be ready before the July 4<sup>th</sup> holiday. Assistant Manager O'Brien advised that there is also a bid opening on July 2<sup>nd</sup>.

The Board agreed that the July Board meeting would be moved to the 16<sup>th</sup>.

6.1.2 Plan of Finance Study

No discussion on this item.

Item 6.2 Water Resources Committee

6.2.1 Toilet Dual-Flush Conversion Devices

President Perri reported that staff has reservations giving rebates for this dual-flush conversion device because the California Urban Water Conservation Council (CUWCC), the organization that usually gives SVWD recommendations, has not certified this device. Staff will write a letter to CUWCC and implore them to respond and review or rate the product, or give SVWD reason why they don't certify it; after this process the Board can move to approve or disapprove using this device and giving rebates.

Item 6.3 Facilities Engineering Committee

6.3.1 Preliminary 2009-14 Capital Facilities Plan Budget

Assistant General Manager O'Brien reported to the Board based on the written report from General Manager McNiesh.

6.3.2 Extension of Current Services Agreement with Kennedy/Jenks Consultants

Assistant General Manager O'Brien reported. Director Miller questioned whether the person doing the work changed during the process. Director Perri said the plan is to have Kennedy/Jenks attend the next Board meeting and answer Director Miller's concerns at that time.

7. STAFF REPORTS

Item 7.1 Accounting/Customer Service Reports

Accounting Manager Catalano said accounting and reports are up to date; made revenue to debt ratio calculations.

Item 7.2 Operational Reports

Operations Manager Bill O'Brien reported that he had been working on the proposal for the purchase of a new truck and getting the recycle bid proposal ready for approval so that the main extensions project could go out to bid; he also advised that the District had purchased a gopher, a boring tool that bores underground to put in service lines.

Director Perri commented on rainfall the past two years and said he thinks this year will be a rainy year.

Item 7.3 General Manager's Report

General Manager McNiesh will report next month.

Item 7.4 Attorney's Report:

Attorney Bosso advised that he worked with staff on bids and went to the ACWA conference which was worthwhile; he attended one interesting seminar from Orange County regarding conjunctive use, recycling Santa Ana river water; they treat tertiary treated water further and then use for injection; he also attended the legal affairs committee.

Assistant General Manager O'Brien said staff was going to do tests on tertiary treated water, for potential future pond use.

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

9. MISCELLANEOUS CORRESPONDENCE: None

10. CLOSED SESSION: None

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

12. ADJOURNMENT

Director Kassis moved, seconded by Director Miller, to adjourn at 7:45 pm. Motion carried unanimously.