

**SCOTTS VALLEY WATER DISTRICT  
MINUTES OF THE  
SPECIAL BOARD MEETING WORKSHOP  
MARCH 6, 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 10:05 a.m.

Item 1.2 ROLL CALL

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

Absent: Directors None

ADDITIONS/DELETIONS TO THE AGENDA: None

PUBLIC COMMENTS ON ITEMS ON THE AGENDA: None

2. DISCUSS, UPDATE AND REVISE DISTRICT PRIORITY LIST

President Perri invited Board members to discuss priority issues generally before tackling the priority list directly. Director Hodgin discussed a list of priority items he had prepared separately. Director Kassis spoke of the importance of preserving a healthy aquifer. President Perri discussed growth impacts and distinguished new growth from old growth. Director Miller compared potential costs and benefits of the Pasatiempo recycled water exchange project versus other possible measures to replenish groundwater; also noted potentially different long-term impacts between hard conservation measures and behavioral changes. Director Hodgin lamented the lack of surface storage in the County and stressed the importance of increasing District storage tank capacity. President Perri noted the multiple important benefits that a potable intertie with Santa Cruz City would bring.

General Manager McNiesh reported that San Lorenzo Valley Water District (SLVWD) was also evaluating a potential potable intertie with Santa Cruz City; SLVWD staff has indicated an interest in exploring jointly constructed intertie facilities; proposal from SLVWD is to create an ad hoc committee of Board representatives from each District for further discussion. President Perri appointed the two Facilities Engineering Committee members, Director Miller and himself, to serve on this ad hoc committee.

Director Kassis advised that there used to be frequent informal meetings between the two District Boards; wondered why that had changed. General Manager McNiesh reported that he had extended invitations to SLVWD to meet informally

several times over the past few years; these invitations had not led to anything. The idea was put forward to promote a social dinner after the next Santa Margarita Groundwater Basin Advisory Committee meeting, which is to be held at 4:00 p.m. on May 27<sup>th</sup> at the District Board Room. President Perri offered to join Director Kassis on an ad hoc hospitality committee if the May 27<sup>th</sup> meeting fails to materialize.

General Manager McNiesh then led the Board through a line-by-line discussion of a draft priority list update he had prepared for the meeting. The attachment hereto is the resulting list based on Board changes during the meeting.

Director Kannegaard received an emergency telephone call and left the meeting at 2:55 p.m.

### 3. ADJOURNMENT

President Perri adjourned the meeting at 3:25 p.m.

Respectfully submitted,

/s/ Charles McNiesh  
Charles McNiesh, General Manager

Approved: April 15, 2010

Attachment:

- Board Priority List, March 6, 2010

Scotts Valley Water District  
 Board Priority List  
 March 6, 2010

No.	ITEM	COMMITTEE	LINKAGE	TIMING (Mo)
E1	Coordination with City	EX	E4,126,140	Ongoing
E2	Audit	Audit		Annual-Oct
E3	LAFCO Sphere of Influence	EX		May-10
E4	City Recycling Agreement	EX	E1	Jun-10
E5	LAFCO Water Policy Committee	Miller		Dec-10
E6	New Employee MOU	EX		Jun-11
E7	CEQA Amendment re Pumping History	EX		Jun-11

NOTE: NEW ITEMS ARE NUMBERED BEGINNING AT 101.

COMMITTEE

- EX = Executive Committee (Perri, Kannegaard)
- Audit = Audit Committee (Hodgin, Kannegaard)
- BA = Business Administration Committee (Hodgin, Kannegaard )
- FE = Facilities Engineering Committee (Miller, Perri)
- WR = Water Resources Committee (Kassis, Perri)

LINKAGE

Implementation linked to identified item(s).

Scotts Valley Water District  
Board Priority List  
March 6, 2010

No.	ITEM	COMMITTEE	LINKAGE	TIMING (Mo)
B1	Budget	BA		Annual-Jul
B2	Investment Policy	BA		May-10
B3	GASB 45	BA		Jun-10
B4	New Phone System	BA		Jun-10
B5	Resolve Underbilled Accounts	BA		Jun-10
B6	Impact Fee & Connection Charge Ordinances	BA		Jun-10
B9	Records Retention Policy	BA	B15	Jul-10
B10	Water Bond Position	BA		Jul-10
B11	Revised Job Descriptions	BA	W17	Aug-10
B12	Revise Annexation Policy	BA		Nov-10
B13	Asset Inventory	BA	F18	Dec-10
B7	Credit Card Acceptance	BA	B8,B16,B17	Jan-11
B8	On-Line Bill Pay	BA	B7,B16,B17	Jan-11
B15	Records Retention Implementation - Phase 1	BA	B9	Jan-11
B16	Outsourced Billing	BA	B7,B8,B17	Apr-11
B17	Staggered Billing Cycles	BA	B7,B8,B16	Apr-11
B14	Flat Rate Guidelines	BA		Dec-11
B18	New Finance/Accounting Software	BA	B19	Dec-11
B19	New Chart of Accounts	BA	B18	Jul-12
B20	Compile District Policies	BA	B21	Future
B21	Update Rates, Rules & Regulations	BA	B20	Future

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F1	Emergency Action Planning	FE		Ongoing
F2	New Well, Tank, Plant Sites	FE	F30	Ongoing
F3	Recycle Infill	FE	F16	Ongoing
F4	Pasatiempo Partner Discussions	FE	F5,F12,F22,F32	Ongoing
F5	Pasatiempo Engineering Feasibility	FE	F4,F12,F22,F32	Apr-10
F6	Update Technical Standards - Phase 1	FE	F20	Apr-10
F7	Bethany Booster Property Acquisition	FE	F25	Jun-10
F8	Bethany/MacDorsa Tank Expansion Study	FE	F28,F29	Jun-10
F9	Crescent/Siltanen Noise Abatement Project	FE		Jun-10
F10	El Pueblo WTP Pump Replacement	FE		Jun-10
F11	Prop 50 Supplemental IRWM Submittal	FE	F26,F27	Jul-10
F12	Pasatiempo Intertie Analysis	FE	F4,F5,F22,F32	Sep-10
F13	Monteville Recycled Main Project	FE		Oct-10
F14	Summerhill Road Potable Main Project	FE		Oct-10
F15	Automated Meter Reading-Phase 1	FE	F31	Nov-10
F16	Dual-Plumb Permitting Project	FE	E1,F3,F23	Nov-10
F17	Aesthetic WQ Improvements Study	FE	F34	Dec-10
F18	Capital Facilities Planning	FE	B13	Dec-10
F19	Prop 84 IRWM Submittal	FE	F30,F31,F32,F33,F34	Dec-10
F20	Update Technical Standards - Phase 2	FE	F6	Dec-10
F21	Well 10 WTP Easement & Cost Recovery	FE		Dec-10
F22	Pasatiempo CEQA	FE	F4,F5,F12,F32	Jun-11
F23	Recycle Rules & Regulations	FE	B21,F16	Jun-11
F24	Sand Hill Booster Improvements	FE		Jun-11
F25	Bethany Booster Rehab Project	FE	F7	Jun-11
F26	Mt. Hermon Recycled Main Replacement	FE	F11	Nov-11
F27	Bluebonnet Lane Recycled Main Extension	FE	F11	Jun-12
F28	Bethany Tank Rehab/Expansion	FE	F8	Jun-12
F29	MacDorsa Tank Rehab/Expansion	FE	F8	Jun-13
F30	New Well Installation	FE	F2,F19,W19,W20	Future
F31	Automated Meter Reading-Phase 2	FE	F15,F19	Future
F32	Pasatiempo Project Construction	FE	F4,F5,F12,F22	Future
F33	Hanson Quarry Project	FE	F19	Future
F34	Water Treatment Plant Improvements	FE	F17,F19	Future

Scotts Valley Water District  
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W1	Drought Rationing Policy (as needed)	WR	W15	Ongoing
W2	Development Project Review	WR	E1	Ongoing
W3	Environmental Site Review	WR		Ongoing
W4	School Conservation Outreach	WR	W5	Ongoing
W5	Print Ad and Poster Contests	WR	W4	Ongoing
W6	Annual Groundwater Reporting	WR		Annual-Feb
W7	Customer Conservation Recognition	WR		Annual-May
W8	CUWCC Reporting	WR	W15	Biannual-Dec
W9	Development Project Review List	WR		May-10
W10	District Meter Accuracy Study	WR		Aug-10
W11	Indoor Water Use Efficiency Standards	WR	E1	Sep-10
W12	System-Wide Leak Detection Study	WR		Sep-10
W13	Climate Change Planning	WR	W15,W21	Nov-10
W14	Extend Landscape Rebate Program	WR		Nov-10
W15	UWMP Update 2010	WR	W8,W13	Nov-10
W16	Demonstration Garden	WR		Nov-10
W17	Long-term Conservation Program Coordination	WR	B11,W8,W15	Dec-10
W18	Model Landscape Ordinance	WR	E1	Dec-10
W19	Butano Formation Monitor Well Project	WR	F30	Feb-11
W20	Green Valley Monitor Well Project	WR	F30	Feb-12
W21	Climate Change Implementation	WR	W13	Future

**Scotts Valley Water District  
Board Priority Items**

March 6, 2010

- E1. Coordination With City – ensure coordination with City of Scotts Valley on all water related issues
- E2. Audit – conduct annual audit of financial statements
- E3. LAFCO Sphere of Influence – coordinate with LAFCO on sphere of influence review
- E4. City Recycling Agreement – negotiate new cost-sharing agreement with City of Scotts Valley regarding recycled water program
- E5. LAFCO Water Policy Committee – monitor and support activities of LAFCO Water Policy Committee
- E6. New Employee MOU – negotiate new Employee Memorandum of Understanding (MOU) to replace current MOU
- E7. CEQA Amendment re Pumping History – sponsor legislation for CEQA amendment to facilitate recycled water conversion on properties currently irrigated with private wells
- B1. Budget – prepare annual operations and maintenance budget and five-year capital facilities budget
- B2. Investment Policy – adopt policy statement regarding fiscal management of reserve funds
- B3. GASB 45 – establish procedures for complying with GASB 45 regarding post employment benefits accounting
- B4. New Phone System – purchase and install new phone system in District office building
- B5. Resolve Underbilled Accounts – negotiate repayment terms with previously identified under-billed accounts
- B6. Impact Fee and Connection Charge Ordinances – adopt new ordinances based on recently completed consultant report
- B7. Credit Card Acceptance – implement system to accept credit card payment

- B8. On-Line Bill Pay – implement system to accept on-line payment of bills
- B9. Records Retention Policy – develop records retention policy as first step in reorganizing District filing system
- B10. Water Bond Position – consider taking District position on 2010 state water bond
- B11. Revised Job Descriptions – develop new job descriptions for conservation coordinator and associate engineer positions
- B12. Revise Annexation Policy – review and consider amending District annexation policy
- B13. Asset Inventory – implement inventory system for aging and replacing assets
- B14. Flat Rate Guidelines – develop guidelines for qualifying for non-single family residential flat rate
- B15. Records Retention Implementation – Phase 1 – implement first phase of records retention policy
- B16. Outsourced Billing – Convert to outsourced billing if deemed advantageous
- B17. Staggered Billing Cycles – Convert to staggered billing cycles if deemed advantageous
- B18. New Finance/Accounting Software – purchase new finance and accounting software consistent with outsourced billing decision
- B19. New Chart of Accounts – revise and simplify current chart of accounts
- B20. Compile District Policies – organize and compile District policies in an indexed document
- B21. Update Rates, Rules and Regulations – compile updated District rates, rules, and regulations to replace existing Ordinance 119-96, as amended
- F1. Emergency Action Planning – maintain and keep current District emergency planning documents

- F2. New Well, Tank and Plant Sites – identify and obtain suitable sites as they become available for future wells, tanks, and treatment plants
- F3. Recycle Infill – add infill customers who can be served from existing recycled mains
- F4. Pasatiempo Partner Discussions – pursue discussions with Pasatiempo Golf Club, Santa Cruz City, and San Lorenzo Valley Water District personnel toward exchange agreements and project implementation
- F5. Pasatiempo Engineering Feasibility – complete engineering feasibility study of recycled water components of project
- F6. Update Technical Standards – Phase 1 – initiate update of District’s technical specifications and standards
- F7. Bethany Booster Property Acquisition – negotiate property swap with Bethany University for relocating booster station
- F8. Bethany/Macdorsa Tank Expansion Study – evaluate whether site conditions will allow for expansion of existing Bethany and Macdorsa tanks
- F9. Crescent/Siltanen Noise Abatement Project – add noise abatement features to Crescent and Siltanen booster stations
- F10. El Pueblo Water Treatment Plant Pump Replacement – install new energy-efficient pumps to replace existing, aged pumps
- F11. Prop 50 Supplemental IRWM Submittal – prepare project descriptions for Santa Cruz Region grant submittal for remaining Prop 50 funding
- F12. Pasatiempo Intertie Analysis – perform preliminary engineering analysis for potable intertie with Santa Cruz system
- F13. Monteville Recycled Main Project – construct recycled main extension in Bean Creek Road to serve Monteville
- F14. Summerhill Road Potable Main Project – construct potable main extension in Summerhill Road creating loop with existing main in Glenwood Drive

- F15. Automated Meter Reading – Phase 1 – identify preferred system and vendor
- F16. Dual-Plumb Permitting Project – develop streamlined procedures for obtaining Department of Public approval of dual-plumbed recycled water projects
- F17. Aesthetic Water Quality Improvements Study – identify potential water treatment plant improvements to improve aesthetic water quality
- F18. Capital Facilities Planning – implement more rigorous capital facilities planning process coordinated with asset inventory
- F19. Prop 84 IRWM Submittal – prepare project descriptions for Santa Cruz Region grant submittal for Prop 84 funding
- F20. Update Technical Standards – Phase 2 – continue update of District’s technical specifications and standards
- F21. Well 10 Water Treatment Plant Easement and Cost Recovery – negotiate with Scotts Valley Plaza owner for written access easement and for recovery of District’s costs for installing GAC filters at Well 10 Water Treatment Plant
- F22. Pasatiempo CEQA – complete CEQA compliance for Pasatiempo project
- F23. Recycle Rules and Regulations -- compile updated rules and regulations for recycled water program
- F24. Sand Hill Booster Improvements – add second pump and make other plant improvements
- F25. Bethany Booster Rehabilitation Project – relocate pump station and replace aged pumps
- F26. Mount Hermon Recycled Main Replacement – replace existing aged recycled main in Mount Hermon Road
- F27. Bluebonnet Lane Recycled Main Extension – install new recycled main in Bluebonnet Lane from Bean Creek Road to Kings Village Road

- F28. Bethany Tank Rehabilitation/Expansion – recoat and repair Bethany Tank and, if feasible and cost effective, add sections for expansion
- F29. Macdorsa Tank Rehabilitation/Expansion – recoat and repair Macdorsa Tank and, if feasible and cost effective, add sections for expansion
- F30. New Well Installation – construct new District well
- F31. Automated Meter Reading – Phase 2 – install new meters to replace existing meter stock
- F32. Pasatiempo Project Construction – construct recycled delivery facilities and potable intertie with Santa Cruz City system
- F33. Hanson Quarry Project -- pursue and complete Hanson Quarry recharge project in collaboration with Santa Cruz County and neighbor water districts
- F34. Water Treatment Plant Improvements –implement plant changes to improve aesthetic quality and stay ahead of arsenic or other changing regulatory requirements
- W1. Drought Rationing Policy – set and modify drought response and water rationing policy depending on hydrologic conditions
- W2. Development Project Review – oversee and direct District’s review of development project water resources impacts
- W3. Environmental Site Review – oversee and direct District’s monitoring of environmental site remediation efforts
- W4. School Conservation Outreach – implement wide-ranging District’s school conservation programs
- W5. Print Ad and Poster Contests – sponsor annual student contests promoting water conservation
- W6. Annual Groundwater Reporting – prepare annual groundwater reports pursuant to the District’s groundwater management program
- W7. Customer Conservation Recognition – sponsor annual recognition of outstanding customer conservation efforts

- W8. CUWCC Reporting – submit biennial conservation reports to California Urban Water Conservation Council (CUWCC)
- W9. Development Project Review List – prepare and maintain a list of pending development projects and the associated potential water demand
- W10. District Meter Accuracy Study – perform accuracy testing on all District production and distribution meters
- W11. Indoor Water Use Efficiency Standards – collaborate with City of Scotts Valley to approve new indoor water use efficiency standards
- W12. System-Wide Leak Detection Study – perform leak detection testing on all District water mains
- W13. Climate Change Planning – develop strategies to reduce district energy use and carbon footprint
- W14. Extend Landscape Rebate Program – extend and possibly modify current pilot landscape rebate program
- W15. UWMP Update 2010 – prepare state-required 2010 update to District’s 2005 Urban Water Management Plan
- W16. Demonstration Garden – install demonstration garden at District office featuring native and drought-tolerant plantings
- W17. Long-Term Conservation Coordinator – determine long-term conservation staffing needs
- W18. Model Landscape Ordinance – collaborate with City of Scotts Valley to approve state-required model landscape ordinance
- W19. Butano Formation Monitor Well Project – complete grant-funded project to install two Butano formation monitor wells
- W20. Green Valley Monitor Well Project – install monitor well to evaluate potential for new production well in Green Valley Road area
- W21. Climate Change Implementation – implement strategies to reduce district energy use and carbon footprint