



SCOTTS VALLEY WATER DISTRICT

BOARD OF DIRECTORS
PRESIDENT Danny Reber
VICE PRESIDENT Ruth Stiles
David Hodgins
Ken Kannegaard
Chris Perri

GENERAL MANAGER
Piret Harmon

Board of Directors
Regular Meeting – 7:00 p.m.
Thursday, January 14, 2016
District Board Room
2 Civic Center Drive, Scotts Valley, California

Draft Minutes

I. Convene Meeting

I.1. Call to Order and Roll Call

President Reber called the meeting to order at 7:00 p.m. in the District Board Room, 2 Civic Center Drive, Scotts Valley, California.

I.2. Pledge of Allegiance and Invocation

Vice President Stiles led the pledge of allegiance and President Reber called for a moment of silence.

I.3. Closed Session Report

There was no closed session held on December 10, 2015.

I.4. Additions/Deletions to the Agenda

There were no additions or deletions to the agenda.

I.5. Oral Communications

There were no oral communications.

2. Administrative Items

2.1 Approval of Minutes – December 10, 2015 Regular Board Meeting

Director Hodgins moved, seconded by Director Kannegaard approval of the December 10, 2015 minutes.

Motion Carried: Voice Vote

Ayes: Hodgins, Kannegaard, Perri, Reber and Stiles.

Noes: None.

Absent: None.

2.2 Presentation

Santa Cruz Water Supply Advisory Committee Recommendations

City of Santa Cruz Water Director Rosemary Menard presented information on the water supply augmentation strategies developed by the Water Supply Advisory Committee. One of the four strategies is in-lieu water exchange with Soquel Creek and/or Scotts Valley Water District. She reported that she would like to continue discussions with District staff. [Click here](#) to view the presentation

Scotts Valley Water District Board of Directors

Minutes -- Thursday, January 14, 2016

Page 2

Board Comment/Discussion:

Director Perri reported that the Board is knowledgeable on water exchanges and in theory it sounds like a good idea.

Director Stiles expressed interest on where the City is on the environmental permitting for fish flows with Department of Fish and Game and other agencies. Ms. Menard reported that work continues with the agencies.

General Manager Harmon reported that the District has a five-year plan developed for a recharge project. The information presented this evening is new and our Board will ultimately need to determine how to proceed, wait for Santa Cruz to catch up or to do two projects.

Ms. Menard reported that Santa Cruz is looking for a project that supplies a certain amount of water and a good starting point may be sharing the District's groundwater model.

General Manager Harmon reported that the 7,000 acre feet available in the Hanson Quarry is less than the amount of water needed by Santa Cruz.

Director Hodgkin asked Ms. Menard when Santa Cruz might be certain. Ms. Menard responded that three years for the feasibility study, three years testing with program development in 2020.

Oral Communications were made by R. Longinotti.

2.3 JPIA Board of Directors - Member/Alternate

Director Hodgkin was affirmed JPIA Director Representative (Hodgin) and Director Perri was affirmed as alternate.

Staff will file the JPIA Board of Directors Member/Alternate Form.

3. Consent

There were no items on consent.

4. Public Hearing

No public hearings were scheduled.

5. General Business Items

5.1 Sustainable Groundwater Management Act (SGMA) Basin Boundary Revision: Santa Margarita Groundwater Basin

General Manager Harmon reported that the basin boundary revision report has been out for comment. Several (4 or 5) comment letters have been submitted. The Purisima Water Company (Purisima) has made a request to be included in the Santa Cruz Mid County Basin rather than the Santa Margarita Basin and has provided geological evidence to support the request.

Scotts Valley Water District Board of Directors

Minutes -- Thursday, January 14, 2016

Page 3

Derrick Williams, Hydrometrics provided a presentation showing the original basin boundary revision and based on the new information provided by Pursima a revised basin boundary request. He reported that the information provided by Purisma is very informative and provides conclusive evidence that it should be included in the Mid-County Basin. It will ultimately be decided by the State Water Board.

[Click here](#) to view the presentation.

Director Perri moved, seconded by Director Kannegaard to Adopt Resolution No. 01-16 initiating the basin boundary revision request as revised.

Motion Carried: Voice Vote

Ayes: Hodgin, Kannegaard, Perri, Reber and Stiles.

Noes: None.

Absent: None

6. Committee Reports

6.1 Finance and Personnel Committee Meeting Report - December 9, 2015

The Finance and Personnel Committee Meeting Report was accepted without further comment.

6.2 2016 Committee Assignments

President Reber announced the 2016 Committee Assignments:

Executive and Public Affairs: President Reber, Vice President Stiles and alternate Director Kannegaard (Past President) 3rd Tuesday

Water Resources and Engineering: Director Perri, Director Kannegaard and alternate Director Stiles 4th Tuesday

Finance and Personnel: Director Hodgin and President Reber and alternate Director Perri 1st Tuesday

7. Staff Reports

7.1. District Counsel

District Counsel Bosso reported on the Great Oaks Water District vs. Santa Clara Valley Water District case over pumping charges in which the 6th District Court of Appeals ruled in favor of Great Oaks. The case may be appealed to the Supreme Court. More cases are pending with City of Ventura expected soon.

7.2. General Manager

The General Managers oral report is appended.

7.3. Finance

7.3.1 Check Register December 2015

Director Perri reported that the description for check 21730 is incorrect. It should be itemized at Director Medical \$1,242.09 and ACWA Fall Conference Travel Expense \$1,529.23

Scotts Valley Water District Board of Directors

Minutes -- Thursday, January 14, 2016

Page 4

7.4. Operations Report

Operations Manager McNair reported that the District took over operations at the Skypark emergency intertie and crews will begin work on abandoning the Lockwood Lane intertie; staff has reviewed the second round of plans on the Marriott Hotel project. District has concerns regarding the size of the existing recycled water main being adequate to serve all of the customers.

8. Individual Directors Reports

Individual Directors Reports – oral

Director Hodgkin reported that he will attend an ACWA Board Meetings in Sacramento on January 28 & 29 and viewed the California Water 2.0 What's Next for the California Water Action Plan webcast today.

Director Stiles commented that the January bill insert was well done.

General Manager Harmon reported that the Board of Directors will host an Open House on February 4, 2016 from 4:30 – 6:00 p.m. At this time the Board Room will be dedicated the Santa Margarita Community Room and will receive coverage about being available for local nonprofit groups. It will include a ribbon cutting ceremony and our architects will be providing tours upstairs.

9. Written Communications and Correspondence

9.1 11/18/15 Letter from Doug Kaplan, WSA LLC / Lomax Property Group, Inc.

9.2 12/04/15 Letter from Andy Sells, CEO ACWA/JPIA "Presidents Special Recognition Award

The written communications and correspondence were accepted without comment.

10. Community Relations

10.1 Let's Get the Right Approach to Drought Response in 2016 – ACWA News 12-14-15

10.2 State Water Board Releases Proposed Framework for Modified Emergency Conservation Regulation through October 2016 – State Water Board 12-21-15

The Community Relations articles were accepted without comment.

11. Closed Session

There was no closed session.

12. Report on Closed Session and Additional Items

There was no report on closed session or additional items.

13. Adjournment 8:37

At 8:37 p.m. Director Kannegaard moved, seconded by Director Hodgkin to adjourn the meeting until the next meeting scheduled for February 11, 2016.

Scotts Valley Water District Board of Directors
Minutes -- Thursday, January 14, 2016
Page 5

Submitted:

DocuSigned by:
Donna Paul
1079981CD1DC41A...
Donna Paul, Asst. to the General Manager

Approved:

DocuSigned by:
Danny Reber
DD52F899A870460...
Danny Reber, President

Attest:

DocuSigned by:
Piret Harmon
1C238EFF40B44D1...
Piret Harmon, General Manager

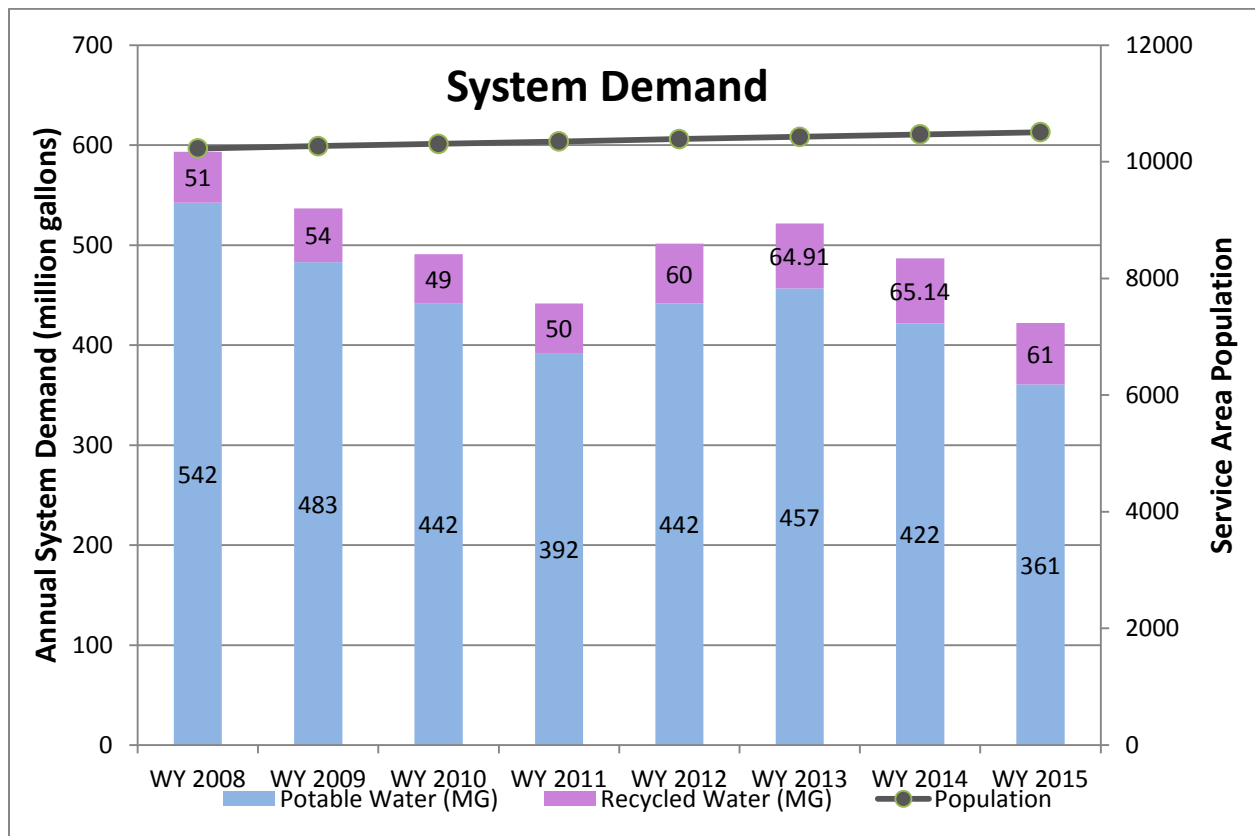
SVWD Board Meeting
 January 14, 2016
 General Manager's Report

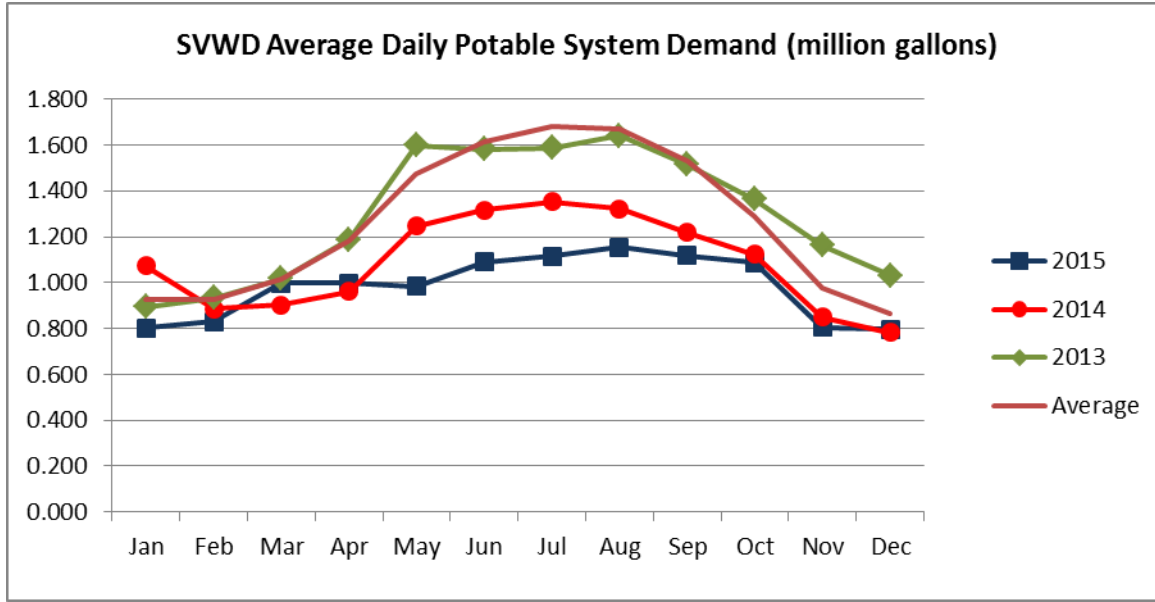
1) Proposed regulatory framework for Extended Emergency Regulations for Urban Water Conservation

- a. May 5, 2015 Emergency Regulation expires in February 2016
- b. Proposal to extend to October 31, 2016
- c. Proposed adjustments
http://www.waterboards.ca.gov/water_issues/programs/conservation_portal/docs/extended_reg_framework.pdf
- d. A draft Emergency Regulation will be released for public comment in mid-January
- e. Water Board consideration of an extended emergency regulation is anticipated in early February

2) Snowpack water content 136% of average in Sierra Mountains as of 12/30/2015

District potable water demand in December 23% lower than same month in 2013. Total annual demand in 2015 decreased 24.1% from 2013 and 9.7% in comparison with 2014.





3) Contract with Raftelis Financial Consultants for Comprehensive Rate Study

- a. Potable water and recycled water
- b. Water sales revenue (basic service charge and consumption rates), new connection fees (connection charges and replenishment impact fees)
- c. Cost of service analysis
- d. Financial planning models (5-10 year)
- e. Workshops with staff, Finance Committee and Board
- f. Administrative Report to meet Prop 218 requirements

Piggyback to RFQ/RFP processes conducted by City of Watsonville, Soquel Creek Water District, City of Santa Cruz. SqCWD proposals ranged 50K-105K, Watsonville contracted for 127K (water/wastewater). Estimated cost for SVWD 70K

4) Contract Amendment with Martin Feeney for Hydrogeologic Services (New Production Well project)

- a. Original scope comprised evaluation of Well 11A, evaluation of Well 11 AR site conditions, development of preliminary basis of design for Well 11AR, and assistance with RFP technical content
- b. Site at Well 11A proved to be not an preferred location for a new well and an alternate location at Well 9 was suggested
- c. Added scope includes evaluation of alternate location near Well 9, preparation of well site comparison matrix, and development of the final basis of design
- d. Total estimated cost of the Amended Contract is 45K, an increase of 28K.

5) Connecting the Drops: Working Together on Water will be held on January 28th (6:30pm) at New Brighton Middle School – flyer attached

6) DWR awarded \$232M in grant funding to 26 IRWM projects, \$1.234M to Santa Cruz County