1. **Convene**

1.1 **Call to Order and Roll Call**

Vice President Leishman called the meeting to order at 7:01 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

<table>
<thead>
<tr>
<th>Directors</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Ekwall</td>
<td>Bob Bosso, Legal Counsel</td>
</tr>
<tr>
<td>Wade Leishman</td>
<td>Piret Harmon, General Manager</td>
</tr>
<tr>
<td>Chris Perri</td>
<td>Nick Kurns, Finance &amp; Customer Service Manager</td>
</tr>
<tr>
<td>Ruth Stiles</td>
<td>David McNair, Operations Manager</td>
</tr>
<tr>
<td>Donna Paul</td>
<td>Donna Paul, Assistant to General Manager</td>
</tr>
</tbody>
</table>

**Absent**

Danny Reber

**Audience**

David Firth

1.2 **Pledge of Allegiance and Invocation**

Director Perri led the pledge of allegiance and Director Leishman the invocation.

1.3 **Closed Session Report**

None.

1.4 **Additions/Deletions to the Agenda**

None.

1.5 **Oral Communications on items not on the Agenda**

None.

2. **Administrative**

2.1 **Approval of Minutes – 06/20/19 Regular Board Meeting**

MOTION carried to approve the minutes of the 06/20/19 regular Board Meeting by unanimous voice vote with Director Reber absent.

2.2 **Presentations**

Community Outreach and Communication Year-end Update

Bill Miller, Miller Maxfield

[Click here](#) to view the presentation.
2.3 Committee and other Agency Meeting Reports

Executive & Public Affairs Committee 07/29/19
There was nothing further to add to the written report.

Finance & Personnel Committee 06/18/19 and 07/30/19
In addition to the written report, Director Stiles reported that our new auditor has suggested that the District consider an in-depth review of billing practices related to property ownership during the next rate study.

Interagency Committee
None.

Water Resources & Engineering Committee 06/17/19 and 07/29/19
In addition to the written report, Director Stiles reported on the purified recycled water recharge project and wildfire preparedness; Director Perri reported on the leak adjustment program statistics.

Santa Margarita Groundwater Agency (SMGWA) 07/25/19
In addition to the written report, Director Perri provided additional details about the workshop.

2.4 Letter of Intent Manana Woods Well Site APN 022-601-05 and 022-601-13

ACTION: The Board concurred with the Water Resources and Engineering Committee support and directed the General Manager to deliver a letter of intent to the San Lorenzo Valley Water District for APN 022-601-05 and 022-601-13.

3. Consent
None.

4. Public Hearings
None.

5. Business

5.1 Public Involvement in Board Activities

ACTION: The Board directed staff to develop a pilot program that includes a community member to each the Executive and Public Affairs, Finance and Personnel Committee, and Water Resources and Engineering Committee; and a high school or college student as an associate Director. The pilot program should include draft guidelines and an estimate of the amount of staff time to manage.
5.2 Association of California Water Agencies (ACWA) Region 5 Board Elections for the 2020-2021 Term

MOTION carried to direct the General Manager to cast a vote for the nominating committee’s recommended slate and submit the ballot for ACWA Region 5 Board Elections for the 2020-2021 term by unanimous voice vote with Director Reber absent.

5.3 Compensation Adjustment for Exempt Classifications

MOTION carried to approve the compensation adjustments for Finance and Customer Service Manager, Operations Manager and Assistant to General Manager classifications by unanimous voice vote with Director Reber absent.

5.4 Policy 100-17-3 Technology Resources

MOTION carried to adopt Resolution No. 04-19 revising Policy P100-17-3 Technology Resources by unanimous roll call vote with Director Reber absent.

6. **Staff Reports**

6.1 Legal

Legal Counsel Bosso reported that the regulations regarding water service for accessory dwelling units continues to work its way through legislature.

6.2 Administration

General Manager

The General Managers report is appended.

6.3 Finance

Preliminary Financial Reports 07/01/18 through 06/30/19

The financial reports were accepted without comment.

6.4 Operations

Operations Manager McNair reported that the Well 11 B sanding issues continues and that he is working to keep the Bethany Tank, Orchard Run, Hacienda Booster and the Sequoia Tank projects moving along.

General Manager reported the EIR for the Recycled Water Purification Project is on hold awaiting a response from the City of Scotts Valley.
7. **Directors Reports**
   None.

8. **Written Correspondence**
   Safe Drinking Water: AB 100 (Support) and SB 100 (Oppose) – Advocacy

9. **Community Relations**
   None.

   At 8:38 p.m., Director Leishman recessed the meeting.

10. **Closed Session**

    10.1 Pursuant to Government Code Section §54957

        Public Employee Performance Evaluation
        Title: General Manager

    At 8:43 p.m., a closed session was convened with Directors Leishman, Ekwall, Perri, Stiles and Legal Counsel Bosso present.

    At 8:52 p.m., Director Leishman ended closed session and reconvened the meeting. At this time General Manager Harmon rejoined the meeting.

11. **Report on Closed Session**

    Director Stiles and Director Leishman reported that Board conducted a performance evaluation of the General Manager.

12. **Additional Business Items**

    12.1 Employment Agreement with General Manager

    Board discussed a salary increase for the General Manager and by consensus, to approve a CPI increase of 3.98% and lump sum bonus pay of 2% contributed to the 457 plan.

    MOTION carried to approve the employment agreement with General Manager effective 8/9/19 by unanimous voice vote with Director Reber absent.

12. **Future Items**

    SB998 Compliance
    Annual Reimbursements Disclosure
    Validated Water Loss Audit Report 2018
    Additional Alternates on Finance/Personnel and Water Resources/Engineering Committee
13. **Meetings and Event Calendar**

**Regular Board Meetings**
*Santa Margarita Community Room*
- 09/12/19
- 10/10/19
- 11/14/19

**Committee Meetings**
*District Conference Room*
- 08/19/19 Executive & Public Affairs
- 08/20/19 Finance & Personnel
- 08/19/19 Water Resources & Engineering
- TBD Interagency

**Santa Margarita Groundwater Agency Board**

**Regular Board Meetings**
*Santa Margarita Community Room*
- 08/22/19
- 09/26/19
- 10/24/19

**Association of California Water Agencies (ACWA) Events**
- 12/03/19 – 12/05/19 Fall Conference *San Diego*

**Conferences/Trainings/Workshops/Webinars**

14. **Adjourn Meeting**
The meeting adjourned at 9:10 p.m.

Approved:      Attest:

Danny Reber, Board President   Piret Harmon, Board Secretary
1. Attached are two tables presenting the rates at various Santa Cruz County public water systems and illustrating the residential water bill trends in the last 15 years (2004-2019).

2. Strategic Planning Workshop – per Executive Committee directions, the staff will be scheduling a special board meeting in October/November 2019.

3. We updated the Employment Conduct Acknowledgement including a commitment to Mission-Vision-Values. All employees will be signing this.

4. On July 24 Governor Newsom signed into law Senate Bill (SB) 200. SB 200 establishes the Safe and Affordable Drinking Water Fund is designed to help provide safe drinking water to all Californians. SB 200 allocates 5% of annual proceeds from the state’s greenhouse gas emissions program to the fund, up to $130 million annually. The State Water Resources Control Board (SWRCB) is authorized to disburse funds and has until July 2020 to develop a fund expenditure plan and associated policies. Fund expenditures may be applied toward various needs, including: providing a short-term supply or replacement water; technical assistance with planning, repair, or operations; replacement of pipes or fixtures; or system consolidation. By 2021, SWRCB is additionally tasked with mapping aquifers at a high risk of containing contaminants.

5. LAFCO Special District Alternate Member elections resulted in Edward Banks from Pajaro Valley Public Cemetery District being selected as the new member.
## SCOTTS VALLEY WATER DISTRICT
### COMPARATIVE WATER RATES -- MONTHLY BILLING EQUIVALENTS
Effective 7/1/2019

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>SVWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SqCWD</th>
<th>SLVWD Inside</th>
<th>Watsonville Inside</th>
<th>Watsonville Outside</th>
</tr>
</thead>
</table>

### Monthly service charge (5/8" meter)

<table>
<thead>
<tr>
<th></th>
<th>SVWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SqCWD</th>
<th>SLVWD Inside</th>
<th>Watsonville Inside</th>
<th>Watsonville Outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>$37.91</td>
<td>$10.71</td>
<td>$12.26</td>
<td>$37.06</td>
<td>$30.24</td>
<td>$33.54</td>
<td>$37.77</td>
<td></td>
</tr>
</tbody>
</table>

### 1st tier ($/1,000 gal)

<table>
<thead>
<tr>
<th></th>
<th>SVWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SqCWD</th>
<th>SLVWD Inside</th>
<th>Watsonville Inside</th>
<th>Watsonville Outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.20</td>
<td>$12.07</td>
<td>$13.86</td>
<td>$8.60</td>
<td>$14.48</td>
<td>$5.13</td>
<td>$5.13</td>
<td></td>
</tr>
</tbody>
</table>

### 2nd tier ($/1,000 gal)

<table>
<thead>
<tr>
<th></th>
<th>SVWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SqCWD</th>
<th>SLVWD Inside</th>
<th>Watsonville Inside</th>
<th>Watsonville Outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.77</td>
<td>$14.52</td>
<td>$16.68</td>
<td>$39.02</td>
<td>n/a</td>
<td>3,740</td>
<td>3,740</td>
<td>3,740</td>
</tr>
</tbody>
</table>

### 3rd tier ($/1,000 gal)

<table>
<thead>
<tr>
<th></th>
<th>SVWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SqCWD</th>
<th>SLVWD Inside</th>
<th>Watsonville Inside</th>
<th>Watsonville Outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17.26</td>
<td>$17.09</td>
<td>$19.68</td>
<td>n/a</td>
<td>$8.21</td>
<td>$8.21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 4th tier ($/1,000 gal)

<table>
<thead>
<tr>
<th></th>
<th>SVWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SqCWD</th>
<th>SLVWD Inside</th>
<th>Watsonville Inside</th>
<th>Watsonville Outside</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.86</td>
<td>$21.04</td>
<td>$24.30</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Average Monthly Bill

<table>
<thead>
<tr>
<th></th>
<th>SLVWD</th>
<th>SqCWD</th>
<th>SCWD Inside</th>
<th>SCWD Outside</th>
<th>SVWD Inside</th>
<th>SVWD Outside</th>
<th>Watsonville Inside</th>
<th>Watsonville Inside</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000 gallons</td>
<td>$102.63</td>
<td>$95.62</td>
<td>$85.13</td>
<td>$78.05</td>
<td>$74.15</td>
<td>$64.60</td>
<td>$59.45</td>
<td></td>
</tr>
<tr>
<td>Average Monthly Bill</td>
<td>$102.63</td>
<td>$95.62</td>
<td>$85.13</td>
<td>$78.05</td>
<td>$74.15</td>
<td>$64.60</td>
<td>$59.45</td>
<td></td>
</tr>
</tbody>
</table>
### SCOTTS VALLEY WATER DISTRICT
#### COMPARATIVE WATER RATES -- MONTHLY BILLING EQUIVALENTS

Average Single Family Household

<table>
<thead>
<tr>
<th>Year</th>
<th>5,000 gallons</th>
<th>6,000 gallons</th>
<th>8,000 gallons</th>
<th>8,000 gallons</th>
<th>11,250 gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SLVWD SCWD</td>
<td>Outside SCWD</td>
<td>Inside SCWD</td>
<td>Outside SCWD</td>
<td>SVWD SCWD</td>
</tr>
<tr>
<td>Year 2019</td>
<td>$103 $96</td>
<td>$85 $78</td>
<td>$74 $65</td>
<td>$65 $59</td>
<td>$70 $48</td>
</tr>
<tr>
<td>Year 2017</td>
<td>$89 $84</td>
<td>$77 $73</td>
<td>$70 $48</td>
<td>$45</td>
<td>$82</td>
</tr>
<tr>
<td>Year 2012</td>
<td>$79 $67</td>
<td>$67 $63</td>
<td>$59 $52</td>
<td>$64</td>
<td>$50</td>
</tr>
<tr>
<td>Year 2010</td>
<td>$64 $64</td>
<td>$62 $50</td>
<td>$59 $47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 2007</td>
<td>$58 $54</td>
<td>$50 $45</td>
<td>$45 $24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 2004</td>
<td>$61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2004-2019 Inflation Adjusted Increase

<table>
<thead>
<tr>
<th>2004</th>
<th>Inflation</th>
<th>Years</th>
<th>2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$61</td>
<td>1.92%</td>
<td>15</td>
<td>$82</td>
<td>$78</td>
</tr>
</tbody>
</table>

-5%