Scotts Valley Water District
Board of Directors

Regular Meeting
Santa Margarita Community Room
2 Civic Center Drive, Scotts Valley, California
12/12/19 7:00 p.m.
Minutes

1. Convene

1.1 Call to Order and Roll Call

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

Directors
Bill Ekwall
Wade Leishman
Chris Perri
Danny Reber
Ruth Stiles

Staff
Bob Bosso, Legal Counsel
Piret Harmon, General Manager
Nick Kurns, Finance and Customer Service Manager
David McNair, Operations Manager
Donna Paul, Assistant to General Manager

Audience: Barbara Callahan, Noelle Downing, Annie Finch and Matthew Robinson.

1.2 Pledge of Allegiance and Invocation

Director Perri led the pledge of allegiance; Director Stiles provided the invocation.

1.3 Closed Session Report
None.

1.4 Additions/Deletions to the Agenda
None.

1.5 Oral Communications
None.

2. Administrative

2.1 Approval of Minutes – 11/14/19 Regular Board Meeting

MOTION carried to approve the minutes of the 11/14/19 regular board meeting by unanimous voice vote.

2.2 Presentations
None.
2.3 Committee and Other Agency Meeting Reports

Executive & Public Affairs Committee 11/18/19
In addition to the written report, information was provided on the discussion and outcome of the outreach activities related to the 3% rate increase.

Finance & Personnel Committee 11/18/19
There was nothing further to add to the written report.

Interagency Committee
None.

Water Resources & Engineering Committee 11/18/19
In addition to the written report, information was provided on the Leak Adjustment Appeal that is on consent.

Santa Margarita Groundwater Agency (SMGWA) Board
None.

3. Consent

3.1 Leak Adjustment Appeal: 4637 Scotts Valley Drive

MOTION carried to allow an exception to the five-year waiting period and grant the leak adjustment credit for Paul Vroomen at 4637 Scotts Valley Drive by unanimous voice vote.

4. Public Hearings

None.

5. Business

5.1 Draft Annual Financial Statements for the Fiscal Year Ended June 30, 2019

Finance and Customer Service Manager Kurns introduced Paul Kaymark, of Nigro & Nigro, Public Accountants who presented the draft financial statements and responded to questions from the Board and audience.

No action was taken on this item.

5.2 Validated Water Loss Audit Report 2018

Operations Manager McNair provided the staff report and responded to questions from the Board.

No action was taken on this item.
5.3 Junior Associate Board Members and Committee Members

The Board conducted individual interviews with the following candidates:

Associate Junior Board Member: Noelle Downing, Annie Finch and Matthew Robinson

Finance and Personnel Committee Community Member: Barbara Callahan

Water Resources and Engineering Community Member: Kelly Kroctov.

MOTION carried to appoint: 1) Noelle Downing and Annie Finch as Associate Junior Board Members; 2) Matthew Robinson as backup should a vacancy should occur; 3) Barbara Callahan as Finance and Personnel Committee Community Member and Kelly Kroctov as Water Resources and Engineering Committee Community Member by unanimous voice vote.

5.4 Sequoia Reservoir Interior Recoating Project - Award Contract

Operations Manager McNair provided the staff report.

MOTION carried to award contract and authorize the General Manager to execute all related documents with Euro Style Management, Inc. in the amount of $537,000 for the Sequoia Reservoir Interior Recoating Project by unanimous voice vote.

5.5 Fee Schedule for Bulk, Temporary and Miscellaneous Services

General Manager Harmon responded to question from the Board.

MOTION carried to adopt Resolution No. 10-19 updating the Fee Schedule for Bulk, Temporary and Miscellaneous Services and rescinding Resolution No. 01-17 by unanimous roll call vote.

6. Staff Reports

6.1 Legal

District Counsel Bosso reported that the State Supreme Court will be hearing the Dunsmuir water rate case.

6.2 Administration

The General Manager’s report is appended.

6.3 Finance

Financial Reports 07/01/19 through 10/31/19

The financial reports were accepted without comment.

6.4 Operations

Production, Demand and Rainfall Reports through 11/30/19
The production, demand and rainfall reports were accepted without comment.

Leak Adjustment Program Report through 10/31/19
The leak adjustment program report was accepted without comment.

7. Directors Reports

7.1 Individual Directors Reports
Director Stiles reported on a WaterSmart webinar she attended.
Director Stiles and Director Perri reported on the 12/11/19 SMGWA Board Meeting.

7.2 Election of Officers
President Reber opened the floor for nominations for President. Director Leishman was nominated.

MOTION carried to elect Director Leishman as Board President for 2020 by unanimous voice vote.

President Reber opened the floor for nominations for Vice President. Director Ekwall was nominated.

MOTION carried to elect Director Ekwall as Board Vice President for 2020 by unanimous voice vote.

8. Written Correspondence
ACWA JPIA President’s Special Recognition Award 11/20/19
The written correspondence was accepted without comment.

9. Community Relations
None.

10. Closed Session
None.

11. Report on Closed Session and Additional Business
None.

12. Future Items
Committee Assignments
Development Projects Report
Water Supply Outlook
13. **Meetings and Event Calendar**

**Regular Board Meetings**
*Santa Margarita Community Room*
- 01/09/20 Strategic Planning Workshop 5:00 p.m.
- 02/13/20
- 03/13/20

**Committee Meetings**
*District Conference Room*
- 12/16/19 Executive & Public Affairs
- 12/17/19 Finance & Personnel
- 12/16/19 Water Resources & Engineering
- TBD Interagency

By consensus the Committee Meetings were cancelled.

**Santa Margarita Groundwater Agency Board**

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

**Association of California Water Agencies (ACWA) Events**
- **05/05 - 05/08/20 ACWA Spring Conference, Monterey**

**Conferences/Trainings/Workshops/Webinars**
- ACWA JPIA Webinar: Sexual Harassment Prevention 12/18/19
- ACWA JPIA Webinar: Board Boot Camp, Be a Better Board Member 03/17/20

14. **Adjourn Meeting**

The meeting adjourned at 9:24 p.m.

Approved: Wade Leishman, Board President
Attest: Piret Harmon, Board Secretary
STAFF REPORT - Administration
Scotts Valley Water District

Date: 12/12/19

To: Board of Directors

From: General Manager

Item: Staff Reports 6.2

Subject: General Manager’s Report

1. ACWA Fall Conference highlights
   a. Session - Achieving Groundwater Sustainability: A Toolbox Approach

Stream systems declared fully appropriated by the State Water Board

![Map of California showing stream systems](image-url)
b. Session: On Target for Urban Water Use Efficiency Targets

- Indoor standard (55 GPCD...50 GPCD) set by Legislature, water loss standard will be set by Board (July 2020), outdoor standard will be set by Board (June 2022), variance will be set by Board (June 2022)

- Is 55 GPCD too high: indoor use expected to reduce to 36.7 (WRF), Melburnians striving for 41 indoor+outdoor, DDW 2018 eAR data show that we are using less than 55 indoors

- New reporting requirements
  
  o Annual Supply and Demand Assessment (2021)
  
  o Annual Water Use Report (2023) – include calculation of Urban Water Use Objective
  
  o Water Shortage Contingency Plan (2021) – include annual water budget forecast

- Urban Water Use Objective = Indoor Residential + Outdoor Residential + Dedicated Irrigation Meters + Water Loss + Variances + Bonus Incentive (potable reuse)
  
  o DWR provides irrigated area for residential only

2. Strategic Planning Workshop on January 9th at 5:00 p.m. facilitated by Robert DeLoach; participants are tasked to fill out worksheets in advance.

3. Contract updates

a. Water Systems Consulting $50,800 to evaluate District’s distribution system and calibrate the existing hydraulic model to determine possible capacity deficiencies; and to prepare a strategic capacity-based Capital Improvement Program (CIP).

b. L. Kershner Design $34,349 to reconfigure the existing DIRTT installation to improve workflow and space utilization in the District headquarters.

4. General Manager Harmon will be on vacation December 13-25. Operations Manager David McNair will be the acting General Manager during that time.