



**Water Commission
Action Agenda
7:00 p.m. – Monday, April 12, 2010
Council Chambers
809 Center Street Santa Cruz**

Action Agenda prepared on April 13, 2010

Call to Order Chair Susie O'Hara called the meeting to order at 7:00 p.m. in Council Chambers.

Roll Call

Present: B. Fouse, L. Kasa, R. Mazurek, D. Meyers, S. O'Hara (Chair), M. McClellan and H. Whitney.

Absent: None.

Staff: L. Almond, Deputy Water Director; P. Harmon, Principal Analyst; B. Kocher, Water Director; and D. Paul, Administrative Assistant.

Presentation There were no presentations.

Statements of Disqualification There were no statements of disqualification.

Oral Communications There were no oral communications.

Announcements There were no announcements.

Approval of Minutes

Commissioner H. Whitney moved to approve the January 11, 2010 minutes as submitted.
Commissioner S. O'Hara seconded.

VOICE VOTEMOTION CARRIED

AYES: B. Fouse, M. McClellan, S. O'Hara (Chair). and H. Whitney.

NOES: None.

ABSTAIN: L. Kasa, R. Mazurek and D. Meyers.

Commissioner D. Meyers moved to approve the March 1, 2010 minutes with a correction that the next regular meeting is April 12, 2010. Commissioner S. O'Hara seconded.

VOICE VOTEMOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, D. Meyers, S. O'Hara (Chair), and M. McClellan.

NOES: None.

ABSTAIN: H. Whitney.

Consent Agenda

Commissioner H. Whitney moved to approve the Consent Agenda as submitted. Commissioner S. O'Hara seconded.

VOICE VOTEMOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, D. Meyers, S. O'Hara (Chair), M. McClellan and H. Whitney.

NOES: None.

Items Removed from the Consent Agenda No items were removed.

General Business

1. Capital Improvement Program (CIP) 3-Year Outlook

Deputy Water Director L. Almond provided the staff report and answered questions on the project portion of the Capital Improvement Program. Principal Analyst P. Harman provided the staff report and answered questions on the fiscal portion of the Capital Improvement Program.

Commission Discussion

The maintenance of the existing water system accounts for 10% of the overall CIP and seems reasonable.

The Commission discussed that a *pay as you go* system of funding capital projects is the preferable method and the cash management principles that are in place will be beneficial when it becomes necessary issue debt. A review the fiscal policies and the current rate structure should be scheduled for 2011.

Commissioner H. Whitney moved to recommend approval of FY 2011-2013 Capital Improvement Program as presented. Commissioner M. McClellan seconded.

VOICE VOTEMOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, D. Meyers, S. O'Hara (Chair), M. McClellan and H. Whitney.

NOES: None.

Subcommittee/Advisory Body Oral Reports

1. City of Santa Cruz/Soquel Creek Water District Joint Desalination Task Force

Commissioner O'Hara reported that at the March meeting minor revisions were made to the Draft Operations Agreement; the Pilot Program report was reviewed; the annual renewal for Technical Advisor Kennedy Jenks Consultants, the Request for Proposals for Design, the FY 2011 budget and schedule were all approved.

Director's Oral Report

1. Monthly Status of Water Supply

Director Kocher reported that this year should end in the middle of the normal range and that late rains are always welcome from a water supply standpoint. The lake continues to spill and base flows in the San Lorenzo river and North Coast streams look good.

2. Desalination Program

Director Kocher reported that Council received a letter stating that approving the Draft Operations Agreement would violate CEQA. The City's CEQA attorney confirmed that this information was incorrect but added that the agreement could be amended to address these concerns. The Request for Proposals for Design was released today (30% design is necessary to proceed with the environmental review).

He further reported on the Desalination Forum held in Live Oak on March 18th. Several hundred people were in attendance and it was a good opportunity to hear from the public. It will be important to provide accurate information in order to educate people on all or the work that has been done to get to this point. An op-ed piece will be published in the Sentinel on why conservation can not meet drought shortages.

Items Initiated by Members for Future Agendas

Review the San Lorenzo River Plan and determine if the Water Commission may want to be involved.

Adjournment The meeting was adjourned at 8:20 p.m. until the next meeting of the Water Commission is scheduled for May 3, 2010, at 7:00 p.m. in Council Chambers.