



**Water Commission
Action Agenda
7:00 p.m. – Monday, June 6, 2011
Council Chambers
809 Center Street Santa Cruz**

Action Agenda prepared on June 7, 2011

Call to Order Chair R. Mazurek called the meeting to order at 7:00 p.m. in Council Chambers.

Roll Call

Present: B. Fouse, L. Kasa, R. Mazurek (Chair), M. McClellan, G. Mead, and A. Schiffrin.
Absent: D. Meyers, absent with notice.
Staff: P. Harmon, Principal Management Analyst; B. Kocher, Water Director; L. Tolles, Management Analyst and D. Paul, Administrative Assistant.
Others: J. Ricker, County of Santa Cruz Water Resources Manager and approximately ten members of the public.

Presentation There were no presentations.

Statements of Disqualification There were no statements of disqualification.

Oral Communications

Oral Communications were made by P. Gratz. Written materials provided to the commission by members of the public will be included in the original papers.

Announcements There were no announcements.

Approval of Minutes

Commissioner A. Schiffrin moved approval of the May 2, 2011 Water Commission minutes as submitted. Commissioner L. Kasa seconded.

VOICE VOTE MOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, M. McClellan, G. Mead, and A. Schiffrin.

NOES: None.

ABSENT: D. Meyers.

Consent Agenda

Item 4 - Water Supply Project Expenses was removed from the Consent Agenda.

Commissioner A. Schiffrin moved approval of the Consent Agenda as amended. Commissioner M. McClellan seconded.

VOICE VOTE MOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, M. McClellan, G. Mead, and A. Schiffrin.
NOES: None.
ABSENT: D. Meyers.

Items Removed from the Consent Agenda

1. Water Supply Project Expenses

The Commission asked why the Soquel Creek Water District (SqCWD) contribution was not equal to the City share.

Water Director Kocher reported that the SqCWD is invoiced quarterly based upon expenditures from the previous quarter.

Commissioner A. Schiffrin moved approval of the Consent Agenda Item 4- Water Supply Project Expenses as amended. Commissioner G. Mead seconded.

VOICE VOTE MOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, M. McClellan, G. Mead, and A. Schiffrin.
NOES: None.
ABSENT: D. Meyers.

General Business

1. Conceptual Conjunctive Use and Water Transfer Project among North County Water Agencies

Water Director Kocher introduced County of Santa Cruz Water Resources Manager J. Ricker who will present a Conceptual Conjunctive Use and Water Transfer Project among North Coast Water Agencies. He reported that County staff has developed a conjunctive use proposal that would provide excess winter flows from the San Lorenzo River to be treated at the City's Water Treatment Facility and delivered to Scotts Valley Water District and Soquel Creek Water District in order to recharge groundwater basins. This conceptual project has not been presented to City Council. The Water Commission is being asked to provide a recommendation to Council in order to determine the City's interest in the proposal. A copy of Mr. Ricker's presentation will be included in the original papers.

Public comments

Public comments were made by S. Pleich representing Santa Cruz Desal Alternatives and P. Gratz. Written materials provided to the commission by members of the public will be included in the original papers.

Commission Comments

This project has clearly entered the political arena. The County of Santa Cruz has done much technical work behind the scenes. Concern was expressed by the Commission that the project has been presented to the Board of Supervisors, Soquel Creek Water District and the Santa

Margarita Group before the City of Santa Cruz. It seems that the City would have been the first stop since it is crucial to the entire proposal moving forward.

Conjunctive use projects are usually collaborative and cooperative such as the scwd2 Desalination Program. This project as presented does not have any benefit to the City.

An Institutional Study is the appropriate next step and should include a work plan, cost estimates with potential funding sources, and a detailed report on the permitting process.

The City and the Soquel Creek Water District currently have their resources directed toward the scwd2 Desalination Program.

It is important not to mislead the public that this project could be done easily. It is one thing to present a lot of numbers, but the real question is whether the many institutional barriers that exist to getting this project off the ground are significant and could be fatal flaws.

The agencies that will be directly benefitting from this project will need to own it and make it work.

Commissioner A. Schiffrin moved to recommend to City Council that the Conceptual Conjunctive Use and Water Transfer Project among North County Water Agencies is worth further consideration in order to determine its feasibility. It is important that County staff begin discussions between the affected water agencies on the practical details and include City staff in a much more active way in the next phase. Commissioner B. Fouse seconded.

VOICE VOTE MOTION CARRIED

AYES: B. Fouse, L. Kasa, R. Mazurek, M. McClellan, G. Mead, and A. Schiffrin.

NOES: None.

ABSENT: D. Meyers.

2. Long-Term Financial Planning for Capital Improvement Program (CIP)

Principal Management Analyst P. Harmon provided the staff report and led the discussion of this item.

Public Comments

Public comments were made by Mathilde Rand, Santa Cruz Desal Alternatives. Written materials provided to the commission by members of the public will be included in the original papers.

Commission Comments

Fiscal Impact Scenarios – IV on page 44 seems the most realistic. The Task Force requested that the rate increase row be left blank and be emailed out to the Commission

The Commission supports the idea to separate Capital Projects from Operating Expenses and requests that staff create spreadsheets for this scenario. Develop a financial plan around the

concept of dual purpose rate increase that reflects the actual increases to operating expenses and cost of the capital projects.

The Commission requested a report on the Water Treatment Upgrade project.

Subcommittee/Advisory Body Oral Reports No action was taken on this item.

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

Commissioner A Schiffrin reported that a Tech Memo on the design brought up a discussion about the plant being designed for a 2.5 mgd expandable to 4.5 mgd. The item has been continued for a month in order for the Soquel Creek Water District Board to advise its members. A report was provided of site selection. The Water Commission will be asked to comment on the Energy Status Report and Proposed Evaluation Criteria at the July 11, 2011 meeting.

Director's Oral Report No action was taken on this item.

1. Monthly Status of Water Supply

A handout was provided that included river flows, water consumption, rainfall and lake elevations.

2. Desalination Program

- Energy Study Status Report

Director Kocher reported on the Technical Working Group for the Energy Study.

Informational Items No action was taken on this item.

1. News Article – City on the Hill Press 04-14-11
2. News Article – Santa Cruz Good Times 04-19-11
3. News Article – City on the Hill Press 04-19-11
4. News Article – Santa Cruz Sentinel 04-26-11
5. News Article – Santa Cruz Sentinel 05-08-11

Items Initiated by Members for Future Agendas

S. Pleich, Santa Cruz Desal Alternatives, et al. has requested 15 to 20 minutes at the July 11, 2011 meeting to present its recommendations on the Urban Water Management Plan update.

Commissioners Kasa, McClellan and Mazurek will be absent at the July 11, 2011 Meeting.

Adjournment

The meeting was adjourned at 9:32 p.m. until the next meeting of the Water Commission scheduled for July 11, 2011 at 7:00 p.m. in Council Chambers.