



Water Department

**Water Commission
Action Agenda
7:00 p.m. – Monday, August 27, 2012
Council Chambers
809 Center Street Santa Cruz**

Action Agenda of a Water Commission meeting

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

Roll Call

Present: D. Baskin, B. Fouse (arrived at 8:00 p.m. and left at 9:10 p.m.), G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

Absent: B. Fouse and M. McClellan both absent with notice

Staff: L. Almond, Deputy Water Director; K. Crossley, Associate Civil Engineer; P. Harmon, Principal Management Analyst; B. Kocher, Water Director; H. Luckenbach, Desalination Program Coordinator and D. Paul, Administrative Assistant.

Others: Approximately eight 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 S. McGilvray and J. Griffiths.

Oral communications were made along with written materials provided by R. Pomerantz and P. Gratz.

Written materials provided to the Commission during oral communications will be filed with the original papers for that meeting.

Announcements There were no announcements.

Approval of Minutes

S. McGilvray provided oral comments.

Commissioner D. Baskin moved approval of the July 2, 2012 Water Commission minutes as submitted. Commissioner W. Wadlow seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, D. Meyers (Chair) and W. Wadlow.

NOES: None.

ABSENT: B. Fouse and M. McClellan.

ABSTAIN: G. Mead and A. Schiffrin.

Consent Agenda

Items No. 1 Three-month Calendar and No. 3 Final Capital and Operating Budgets were removed for discussion.

Commissioner A Schiffrin moved approval of the Consent Agenda as amended. Commissioner D. Baskin seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: B. Fouse and M. McClellan.

Items Removed from the Consent Agenda

1. Three Month Calendar

S. McGilvray and J. Griffiths provided oral comments on item No. 1 Three-month calendar.

Commissioner A. Schiffrin moved approval of Item No. 1 Three-month Calendar with the following comments: the Water Commission has discussed at length the water transfer proposal; the water use baseline study and the update to the long-term water conservation plan will continue to discuss this item as new information becomes available; the Integrated Water Plan was based upon a multi-year study of a vast array of supply alternatives that were looked at in great depth and to continue to look at these supply options again and again would not be a beneficial use of time; the Water Commission has responded to specific projects and proposals that have been made and will continue to look at new projects or proposals that may come forward; and the Water Commission has an agenda item this evening to discuss an outline of its work plan based on City Council direction. Commissioner D. Baskin seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: B. Fouse and M. McClellan.

3. Final Capital and Operating Budgets

Principal Analyst Harmon responded to Commission questions.

Commissioner A Schiffrin moved approval of the Item No. 3 Final Capital and Operating budgets as submitted. Commissioner G. Mead seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: B. Fouse and M. McClellan.

General Business

1. Request for Water Service APN 030-061-04

J. Griffiths and S. Elmore (Architect for the project) provided oral comments.

Water Director B. Kocher and Associate Civil Engineer K. Crossley provided the staff report and responded to Commission questions.

Commission Comments

It would make more sense for this parcel to be considered for annexation since the other parcels are in the district, rather than an extra-territorial service. An extra-territorial service is a temporary measure prior to annexation.

Commissioner D. Baskin moved to recommend City Council approval of the request for new water service for APN 030-061-04 - 4109 Soquel Drive, Soquel, CA 95073 and the preferred approach is a change of influence and annexation. Commissioner A. Schiffrin seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: B. Fouse and M. McClellan.

2. Water Supply Project – Role of the Water Commission

S. McGilvray provided oral comments.

The Water Commission took the following actions:

Commissioner A. Schiffrin moved to request that staff notify City Council that the Water Commission accepts the recommendation for its role during the EIR process:

1. Hold a meeting during the Draft EIR public review period at which an item will be agendaized for the purpose of soliciting and entering comments into the formal record. The City's CEQA consulting team will facilitate this item, and;
2. Review the Final EIR in a public meeting and provide comments and recommendations to the City Council.

Commissioner D. Meyers seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: M. McClellan.

Commissioner W. Wadlow moved that the Water Commission:

1. Form an Ad Hoc committee whose purpose would be to better define the elements of a Water Commission Public Outreach and Education Program regarding the existing state of our wa-

ter system, the challenges facing water supply in the City water service area, up-to-date demand information and the elements of the Habitat Conservation Planning efforts; and

2. To accept the staff recommendation to work with the public outreach consultant who contracted with the scwd² Desalination Task Force through the Technical Consultant to provide a scope of work for the Water Commission's goal of informing the community about the myriad of complicated technical issues that make up the City's Integrated Water Planning efforts.

Commission D. Baskin seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: M. McClellan.

Chair Meyers appointed Commissioner Baskin and Commissioner Wadlow and herself to serve on the above-mentioned Ad Hoc committee.

The Commission made the following comments/statements on the Mayor's memo to Council on 07/24/12:

- 1) The Water Commission affirms that the Integrated Water Plan, the 2010 Urban Water Management Plan and the City of Santa Cruz General Plan 2030 provide the proper planning framework for the City of Santa Cruz.
- 2) The Water Commission has determined that an update to the ten-year water conservation plan is the highest priority and should move forward as soon as possible. The conservation program will include an estimate, for planning purposes, of how much water savings the new program will achieve. The effort will be led by Water Department staff and will be presented to the Water Commission at regular intervals in order to provide opportunity for community involvement and review.
- 3) The Water Commission has determined that it should receive regular status reports on the staff led efforts in the negotiations with the State and Federal Regulatory Agencies regarding required water allocations for the Habitat Conservation Plan (HCP) and Section 10 permits for the San Lorenzo River and North Coast streams. The desalination project level EIR will include a thorough discussion of this issue in the purpose and need statement will include best and worst case scenarios on the amounts of water that will need to be allocated to the environment and no longer be available to City residential, commercial and industrial customers.

The Water Commission role should be advisory and include recommendations on future projects along with providing an opportunity for community involvement.

- 4) The Water Commission will with the assistance of staff review all proposals for water transfers between the City and neighboring districts that come before the Commission and will make a recommendation to Council on the advisability of entering into such an agreement. The Commission will also make a recommendation to Council on the Transfer Study being led by County Water Resources staff upon its completion and will advise Council on any impacts to the City, and whether or not it is in the City's best interests to pursue this project, and whether or not the Commission considers its yield sufficient to change the need for the proposed desalination project.

- 5) The Water Commission has determined that the draft EIR will provide information on a “no project alternative” that will determine the impacts of curtailment for each category of city water customer if a desalination facility is not brought online and a drought equal in severity to the 1977-78 drought should occur.
- 6) The City Council has affirmed that the planned program for energy use in the proposed desalination facility will meet the greenhouse gas standards in the City’s Climate Action Plan. The Water Commission has nothing further to comment.
- 7) Staff and the scwd² Desal Task Force have prepared a careful cost estimate for construction and operation of a desalination facility showing the estimated cost to the City and to the Soquel Creek Water District and a detailed estimate of the water rate impact of building and operating a desalination facility. The Water Commission has nothing further to comment.
- 8) There is an agreement in place with Soquel Creek Water District to share the use and costs of operating the proposed desalination facility so that City water ratepayers will know that they will pay only the share of the operational costs attributable to City water customers and that they will only pay water production costs for desalination water in years when the city requires water from the facility. The Water Commission will make recommendations to Council on other items of work that should be completed prior to the community vote on desalination.

The Commission made the following comments/statements on the Santa Cruz Desal Alternatives letter to Council on 07/24/12:

1. Immediately begin negotiations with Soquel Creek Water District on the terms of a transfer of water between districts.

The Water Commission has determined that beginning negotiation with Soquel Creek Water District would not be appropriate at this time given the lack of a feasible transfer proposal.

2. Immediately submit to the State the application for a temporary water rights revision allowing water transfers.

The Water Commission has determined that submitting an application for temporary water rights revisions would not be appropriate at this time given the lack of a feasible transfer proposal. The lack of water rights is only one of many reasons the transfer is not feasible.

3. Incorporate the discussion of water transfers with Scotts Valley and Soquel Districts in the City's Habitat Conservation Plan negotiations with the state and federal fisheries agencies.

The Water Commission has determined that incorporating the discussion of water transfers in the already complex HCP negotiations is not appropriate at this time given the lack of a feasible transfer proposal.

4. Adopt a program of free toilet replacement and a water rate structure that discourages wasteful landscape irrigation.

The Water Commission has determined that the baseline study should provide information on the potential feasibility of a free toilet program and will consider it for inclusion in the proposed ten year conservation program; and that the City already adopted structured water rates that have been successful in discouraging excessive landscape irrigation. Further altering the rates will be considered as part of the proposed ten year conservation program.

5. Adopt an offset program for the service area to reduce demand.

The Water Commission has determined that an offset program may be unnecessary given other City water conservation programs. This program should be considered as part of the new ten year conservation plan.

6. Agree to the condition that the City shall not commence delivery of water to the UCSC campus...until the City has entered into a binding Habitat Conservation Plan agreement with the National Marine Fisheries Service.

The Water Commission has determined that City Council did not request Water Commission participation in the LAFCO application thus far and it would not be appropriate for the Commission to involve itself at this late date.

Commissioner A. Schiffrin moved to request that staff prepare a memo responding to Council direction that outlines the recommendations made this evening for the Chair's signature and have staff work further to develop some of the concepts presented as broad statements and to integrate them with existing efforts. Commissioner W. Wadlow seconded

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, B. Fouse, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: M. McClellan.

3. Emergency Intertie Project

Director Kocher provided the staff report and responded to the Commission questions.

Commissioner A. Schiffrin moved to recommend that Council approve City participation in a joint application to California Department of Public Health for a Proposition 50 Grant to Establish Emergency Water Interties with Neighboring Water Districts. Commissioner D. Baskin seconded.

VOICE VOTE MOTION CARRIED

AYES: D. Baskin, G. Mead, D. Meyers (Chair), A. Schiffrin and W. Wadlow.

NOES: None.

ABSENT: B. Fouse and M. McClellan.

4. Discussion of Water Rights by Source

Water Director Kocher provided an oral report and responded to Commission questions on the water rights held by the City of Santa Cruz.

Oral Comments were made by J. Bentley.

The Commission requested that staff provide detailed information on water rights as needed when being asked to make a recommendation.

Subcommittee/Advisory Body Oral Reports.

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

Commissioner Schiffrin reported that he will not be able to attend the September 19th meeting and Chair Meyers will try to attend.

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

Principal Analyst Harmon provided information requested information on 1) how high consumption is determined; and bond and interest reserve funds for debt service on the Bay Street Reservoir and System Transmission Main Project.

1. Monthly Status of Water Supply

Director Kocher provided a report on 2012 water production targets and actuals.

2. Desalination Program

The September Task Force will include the EIR schedule, revisions to the MOA, and the intertie analysis.

3. Fiscal Policy

Principal Analyst Harmon reported that a consultant has been hired to assist with the development of the fiscal policies.

4. LAFCO Process on Extending Water Service to UCSC

Director Kocher reported that LAFCO will vote on this at its October meeting.

Informational Items No action was taken on this item.

1. News Article – Santa Cruz Sentinel 07-03-12
2. News Article – Santa Cruz Weekly 08-16-12

Items Initiated by Members for Future Agendas No items were initiated.

Adjournment The meeting was adjourned at 9:53 p.m. until the next regularly meeting of the Water Commission scheduled for October 1, 2012 at 7:00 p.m. in Council Chambers.

Respectfully submitted,

Donna Paul

Staff