



Water Department

**Water Commission Agenda**  
**Regular Meeting**  
**7:00 p.m. – Monday, July 7, 2014**  
**Council Chambers**  
**809 Center Street, Santa Cruz**

**Agenda**

**Call to Order**

**Roll Call**

**Presentation** *Organized groups may make presentations to the Water Commission. Presentations that require more than three minutes should be scheduled in advance with Water Department staff.*

**Statements of Disqualification** *Section 607 of the City Charter states that “...All members present at any meeting must vote unless disqualified, in which case the disqualification shall be publicly declared and a record thereof made.”*

*The City of Santa Cruz has adopted a Conflict of Interest Code, and Section 8 of that Code states that no person shall make or participate in a governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect distinguishable from its effect on the public generally.*

**Oral Communications** No action shall be taken on this item.

**Announcements** No action shall be taken on this item.

**Approval of Minutes** ☆ (Pages 5-8)

Recommendation: Motion to approve the June 2, 2014 Water Commission Minutes.

**Consent Agenda** (Pages 9-10)

*Items on the consent agenda are considered to be routine in nature and will be acted upon in one motion. Specific items may be removed by members of the advisory body or public for separate consideration and discussion.*

1. City Council Items Affecting Water ☆ (accept info) (Pages 9-10)

**Items Removed from the Consent Agenda**

**General Business** (Pages 11-38)

*Any document related to an agenda item for the General Business of this meeting distributed to the Water Commission less than 72 hours before this meeting is available for inspection at the*

*Water Administration Office, 212 Locust Street, Suite A, Santa Cruz, California. These documents will also be available for review at the Water Commission meeting with the display copy at the rear of the Council Chambers.*

1. Rate Increase and Drought Cost Recovery Recommendations ☆ (Pages 11-22)

Recommendation: Receive presentation on the financial status of the utility and make recommendations to the City Council increasing water rates increases, instituting a drought cost recovery fee and establish two new reserve funds.

2. Water Commission Bylaws/Minutes Update ☆ (Pages 23-38)

Recommendation: That the Water Commission reviews the Bylaws and approves a recommended approach to assist staff in moving forward with this issue.

**Subcommittee/Advisory Body Oral Reports** No items.

1. WSAC Update (Oral Report)

Recommendation: None. Receive Update Only.

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

1. Monthly Status of Water Supply (to be distributed at meeting)

**Documents for Future Meetings** No action shall be taken on this item.

*The following document is being included in this agenda packet in order to provide ample review time. It will be an item of business and will include a staff report at a future meeting.*

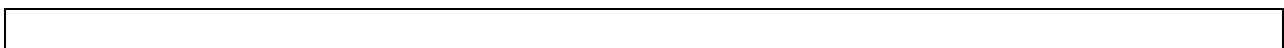
**Items Initiated by Members for Future Agendas**

**Adjournment** The next meeting of the Water Commission is scheduled for August 25, 2014 at 7:00 p.m. in Council Chambers.

☆Denotes written materials included in packet

**APPEALS** - Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk.

Other - Appeals must be received by the City Clerk within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.



The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, please attend the meeting fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment, please call Water Administration at 831-420-5200 at least five days in advance so that arrangement can be made. The Cal-Relay system number: 1-800-735-2922.

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Water Department

**Water Commission**  
**DRAFT**  
**7:00 p.m. - Monday, June 2, 2014**  
**Council Chambers**  
**809 Center Street, Santa Cruz**

### **Minutes of a Water Commission Meeting**

**Call to Order** – Chair D. Baskin called the meeting to order at 7:01 p.m. in the City Council Chambers.

#### **Roll Call**

**Present:** D. Baskin (Chair), G. Mead, A. Schiffrin (arrived at 7:02pm), D. Schwarm, D. Stearns (arrived at 7:04pm), W. Wadlow (Vice-chair), and L. Wilshusen.

**Absent:** None.

**Staff:** R. Menard, Water Director; C. Berry, Watershed Compliance Manager; N. Dennis Principal Management Analyst; G. Rudometkin, Administrative Assistant III.

**Others:** Approximately 12 members of the public.

**Presentation** – There were no presentations.

**Statements of Disqualification** – There were no statements of disqualification.

**Oral Communications** – Oral Communications made by P. Pethoe.

**Announcements** – There were no announcements.

#### **Approval of Minutes**

Commissioner D. Stearns moved to delete the summary of commission comments, discussion and the bullet points associated with them. Commissioner G. Mead would like the following words removed “due to absence from the May 5th meeting” from the Water Conservation Plan vote in order to approve the May 5<sup>th</sup>, 2014 Water Commission minutes. Commissioner Baskin seconded.

VOICE VOTE: MOTION CARRIED

**AYES:** D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

**NOES:** A. Schiffrin.

**ABSTAINED:** W. Wadlow, due to absence from the May 5th meeting.

#### **Consent Agenda**

1. City Council Items Affecting Water

2. Operating Budget Overview
3. Transfer of Rate Stabilization Funds
4. Update on Recycled Water Transfer with Scotts Valley District & Pasatiempo Golf
5. Course – Status Update
6. Correspondence from Chancellor George Blumenthal dated 5/1/14
7. Abstention Memo
8. Water Commission Minutes Memo

Commissioner A. Schiffrin moved that items 1 and 5 not be moved off the Consent Agenda. Commissioner L. Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

NOES: None.

### **Items Removed from the Consent Agenda**

#### **Item 6: Abstention Memo**

Commissioner A. Schiffrin moved to accept the staff recommendation on Item: 6, which is to accept the information. Commissioner L. Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

NOES: None.

#### **Item 7: Water Commission Minutes Memo**

Commissioner A. Schiffrin moved that the bylaws be brought back regarding the minutes at our next meeting with wording changes that would allow the Commission to have greater detail in the minutes. Commissioner D. Schwarm seconded.

Amendment: A. Schiffrin asked that the bylaws be brought back with some suggestive language for greater detail and in the interim that they be prepared as they are now.

Commissioner D. Baskin stated “For the record, I am voting against this because I don’t think we can properly pass a motion that violates our Bylaws; with that said I will call for the question.”

VOICE VOTE: MOTION FAILED

AYES: D. Schwarm and A. Schiffrin.

NOES: D. Baskin, G. Mead, D. Stearns, W. Wadlow, and L. Wilshusen.

Commissioner A. Schiffrin moved that this item be moved until the meeting after the next and that all Commissioners be provided copies of the Bylaws. Commissioner G. Mead seconded.

VOICE VOTE: MOTION FAILED

AYES: G. Mead, A. Schiffrin

NOES: D. Baskin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen None.

**Item 2: Operating Budget Overview**

Commissioner A. Schiffrin moved to accept the staff recommendation. Commissioner L. Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

NOES: None.

**Item 3: Transfer of Rate Stabilization Funds**

Commissioner A. Schiffrin moved that Commission approve the staff recommendation to recommend to Council to utilize the Rate Stabilization Reserve Fund and hold the \$.10/ccf replenishment amount in abeyance. Commissioner L. Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

NOES: None.

**Item 4: Update on Recycled Water Transfer**

Commissioner A. Schiffrin moved to accept the staff recommendation on this item. Commissioner L. Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

NOES: None.

**General Business**

1. Work Session on Fish Flows

Presentation provided by Watershed Compliance Manager, C. Berry; Jeff Hagar, Fisheries Biologist; S. Skaggs, Legal Counsel and they responded to Commission questions.

Public Comment: Oral comments made by R. Longinotti, P. Pethoe, and S. McGilvray.

2. Leadership and Sustainability Initiative

Commissioner A. Schiffrin moved that the Commission table this item until a future meeting. Commissioner G. Mead seconded.

VOICE VOTE: MOTION CARRIED

AYES: D. Baskin, G. Mead, A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

NOES: None.

3. Introduction to Santa Cruz Water Department's Financial Model  
Presentation provided by Water Director, R. Menard & Principal Management Analyst, Nicole Dennis, & Sanjay Gaur of Raftelis Consulting and responded to Commission questions.

Public Comment: Oral Comment made by P. Pethoe, D. Enfger, R. Longinotti and S. McGilvray.

**Subcommittee/Advisory Body Oral Reports** No items.

WSAC Update (Oral Report)

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

1. Monthly Status of Water Supply

**Documents for Future Meetings** No action shall be taken on this item.

1. None

**Items Initiated by Members for Future Agendas**

**Adjournment** Meeting adjourned at 10:18pm, the next meeting of the Water Commission is scheduled for July 7th, 2014 at 7:00 p.m. in Council Chambers.

Respectfully submitted,

Gloria  
Rudometkin

Digitally signed by Gloria Rudometkin  
DN: cn=Gloria Rudometkin, o=City of  
Santa Cruz, ou=Water,  
email=grudometkin@cityofsantacruz.c  
om, c=US  
Date: 2014.02.10 09:12:05 -08'00'

Staff





**WATER COMMISSION  
REPORT**

DATE: June 26, 2014  
TO: Water Commission  
FROM: Rosemary Menard  
Water Director  
SUBJECT: City Council Items Affecting Water

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**City Council Meeting of June 10, 2014:**

Grant Application to the California State Water Resources Control Board – Regional Recycled Water Facilities Planning Grant (WT)

**Resolution** authorizing the City Manager to submit a grant application in coordination with the County of Santa Cruz, and the Soquel Creek Water District, for the Water Recycling Funding Program – Facilities Planning Grant Program offered by the State of California Water Resources Control Board (SWRCB); and if selected, execute all standard agreements for such funds and any amendments thereto, and any other documents necessary to secure the grant funds, in a form acceptable to the City Attorney and necessary to participate in the program.

**City Council Meeting of June 24, 2014:**

Bay Street Reservoir Replacement Project - Phase 3 Construction –Contract Change Order No. 1 (WT)

**Motion carried** to ratify Contract Change Order No. 1 with Gateway Pacific Contractors, Inc. (Sacramento, CA) to upgrade the tank to meet the new seismic design standards in the amount of \$67,491.

Stream Flow and Private Well Monitoring Program – Budget Adjustment (WT)

**Resolution No. NS-28,797 was adopted** appropriating funds and amending the Fiscal Year 2014 budget in the amount of \$97,171 to fully fund the stream flow and private well monitoring program.

Water Supply Advisory Committee Charter, Work Plan and Feedback to City Council on Consultant Support Resources (WT)

**Motion carried** to approve the Water Supply Advisory Committee Charter, to acknowledge receipt of a report from the Water Supply Advisory Committee on its Work Plan, and receive feedback from the Water Supply Advisory Committee on the selection of consultant resources to support the Committee's work.

Water Supply Reliability – Multidisciplinary Work Effort: Economics, Policy, Environmental Sciences, Natural Resource – Award of Contract (WT)

**Motion carried** to authorize the City Manager to execute an agreement, in a form approved by the City Attorney, with Stratus Consulting of Boulder, Colorado in the amount not to exceed \$350,000 for technical and analytical work to support the Water Supply Advisory Committee and respond to issues related to water supply reliability and to proceed with Phase One of that agreement.



## WATER DEPARTMENT MEMORANDUM

DATE: July 1, 2014

TO: City Council

FROM: Rosemary Menard  
Water Director

Nicole B. Dennis  
Principal Management Analyst

SUBJECT: Receive presentation on the financial status of the utility and make recommendations to the City Council increasing water rates increases, instituting a drought cost recovery fee and establish two new reserve funds.

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### RECOMMENDATIONS:

- 1) Receive presentation on proposed water rate increases, drought cost recovery fees and establishment of reserves.
  - 2) Recommend to the City Council the following elements of a comprehensive rate and reserve policy plan:
    - a) Schedule a Public Hearing on the proposed water rate increases on September 9, 2014 in accordance with Proposition 218.
    - b) Institute a 10% water rate increase for each of five years beginning on October 1, 2014 with the following increases implemented on July 1 for the next four fiscal years.
    - c) Assess a drought cost recovery fee designed to recover \$3.25 million over two years.
    - d) Levy the drought recovery fee on the ready-to-serve (fixed) portion of the water bill.
    - e) Establish a 90-Day Operating Reserve and an Emergency Reserve in separate funds in addition to the existing Water Rate Stabilization Fund.
-

The Water Department's financial consultants and rate revenue model architects, Raftelis Financial Consultants, Inc., will discuss the attached presentation. The presentation will outline the current financial status of the utility and the need for the proposed rate increases as well as a drought cost recovery fee. In addition, the recommendation to establish two additional reserve funds will be discussed.

Possible Motions:

The Water Commission forwards the following recommendations to the City Council:

1. Recommend the City Council schedule a Public Hearing on the proposed water rate increases to occur on September 9, 2014 in accordance with Proposition 218.
2. Recommend to the City Council institute a 10% water rate increase, to commence on October 1, 2014. Also, recommend a 10% rate increase implemented on July 1 for the each of the next four fiscal years.
3. Recommend to the City Council to assess a drought recovery fee designed to recover \$3.25 million over two years; \$2.25 million in FY 2015 and \$1 million in FY 2016.
4. Recommend to the City Council levy the drought recovery fee on the ready-to-serve (fixed) portion of the water bill.
5. Recommend to the City Council establish two additional reserve funds on behalf of the Water Department. The first fund recommended is a 90-Day Operating Reserve and the second, an Emergency Reserve Fund in addition to the existing Water Rate Stabilization Fund.


The Water Commission recommends these actions to the City Council for their consideration to maintain protect and ensure the delivery of clean drinking water to the customers, residents and visitors of the City's water system over the next five years.



# FINANCIAL PLAN AND DROUGHT DISCUSSION


Water Commission Workshop  
July 7, 2014



## Agenda

- Financial Plan Discussion
  - Implementation Plan
  - Financial Plan Scenarios
  - Recommendations
- Drought Cost Recovery Fees Options
  - Recommendations
- Next Steps
  - Council Action
  - Prop 218 Process




July 7, 2014 Santa Cruz Water Commission Workshop - Financial Plan and Drought Discussion 2




## FINANCIAL PLAN DISCUSSION

1. Implementation Schedule
2. Model Inputs
3. Financial Plan Scenarios
  1. Scenario 1 – Status Quo
  2. Scenario 2 – Proposed without Drought
  3. Scenario 3 – Proposed with Drought
  4. Scenario 4 – Proposed with Drought Mitigation




July 7, 2014 Santa Cruz Water Commission Workshop - Financial Plan and Drought Discussion 3



## Implementation Schedule

- City Council consider five years of rates and two years of drought cost recovery fees
  - 1<sup>st</sup> Rate Increase: October 2014
  - 2<sup>nd</sup> Rate Increase: July 2015
  - 3<sup>rd</sup> Rate Increase: July 2016
  - 4<sup>th</sup> Rate Increase: July 2017
  - 5<sup>th</sup> Rate Increase: July 2018



July 7, 2014 Santa Cruz Water Commission Workshop - Financial Plan and Drought Discussion 4

## Model Inputs

- Assumed escalation factors
  - General – 3%
  - Salary – 3%
  - Benefits – 7%
  - Chemical – 9.2% FY 2016 and 5% after
  - Energy – 9.1% FY 2016 and 5% after
  - Construction – 3% until FY 2017 and 5% after
- Growth:
  - Inside City – 0.25%
  - Outside City – 0.40%
- Debt Terms:
  - 30 years, 5% interest, 2% issuance cost
- Water demand with no cut back in FY 2015: 3,050 MG

July 7, 2014 Santa Cruz Water Commission Workshop - Financial Plan and Drought Discussion 5

## Model Inputs

- Water demand reduction profile under each drought stage is estimated using Water Contingency Plan March 2009 and FY 2012 usage profile

Table 3.6. Water Supply Allocation and Customer Reduction Goals

Normal Peak Demand (Demand 2,473 mgd)	Stage 1 10% Deficiency		Stage 2 20% Deficiency		Stage 3 30% Deficiency		Stage 4 40% Deficiency		Stage 5 50% Deficiency	
	Delivery MGD	%	Delivery MGD	%	Delivery MGD	%	Delivery MGD	%	Delivery MGD	%
Single Family Residential	100	1,031	85%	884	75%	753	62%	608	49%	495
Multiple Residential	100	524	87%	454	79%	411	68%	367	69%	287
Business	100	636	95%	616	97%	602	95%	581	93%	557
LC Bank/Club	100	132	86%	113	79%	105	80%	87	62%	66
Other Industrial	100	23	96%	22	96%	21	91%	20	87%	19
Municipal	100	46	76%	36	67%	27	41%	20	29%	14
Longterm	100	110	84%	79	74%	57	52%	33	31%	2
Self-Service Irrigation	100	108	72%	78	61%	54	54%	38	29%	21
Crood Irrigation	100	30	95%	28	93%	23	77%	20	67%	43
Other	100	2	90%	2	90%	2	90%	1	50%	1
<b>Total</b>	<b>100</b>	<b>2,473</b>	<b>88%</b>	<b>2,111</b>	<b>79%</b>	<b>1,881</b>	<b>68%</b>	<b>1,687</b>	<b>58%</b>	<b>1,347</b>
Normal Peak Demand % Million gallons	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

Source: 2009

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## Model Input: Reserve Requirements Summary

FY 2014 Target Level	
Operations	\$5.0M (90 days cash)
Capital R&R	\$0
Emergency	\$3M
Rate Stabilization	\$2.3M (10% of rate revenues)
<b>Total Target Level</b>	<b>\$10.3M</b>
<b>Budgeted FY 2015 Operating Expenses</b>	<b>\$20.1M</b> (excluding Maintenance & Capital outlay)

July 7, 2014 Santa Cruz Water Commission Workshop - Financial Plan and Drought Discussion 7

## Financial Plan Scenario 1

### Status Quo

No Revenue Adjustment, No New Debt & No Drought

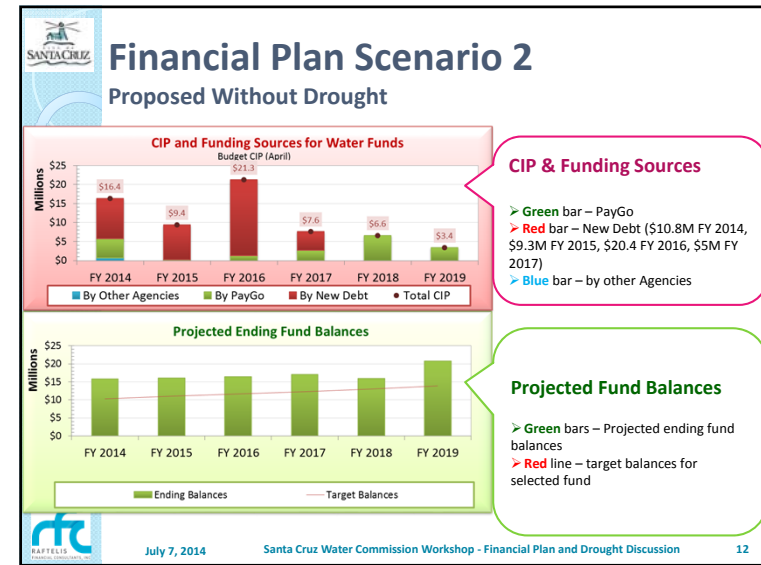
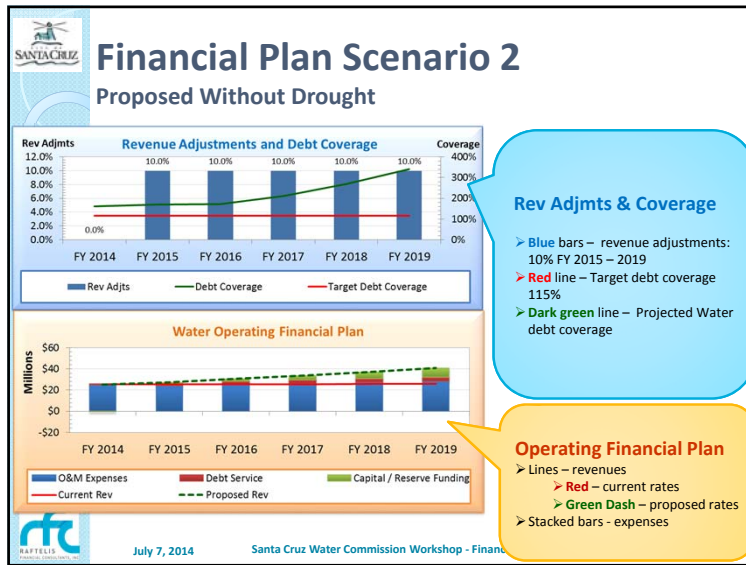
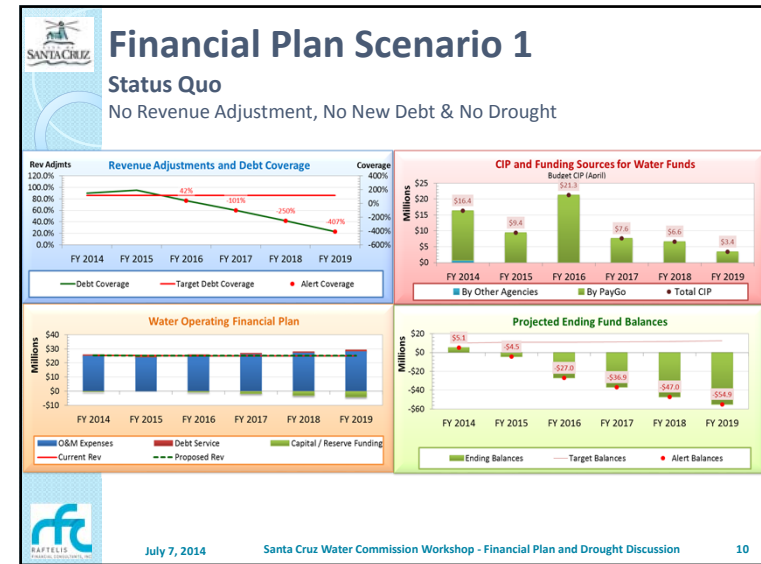
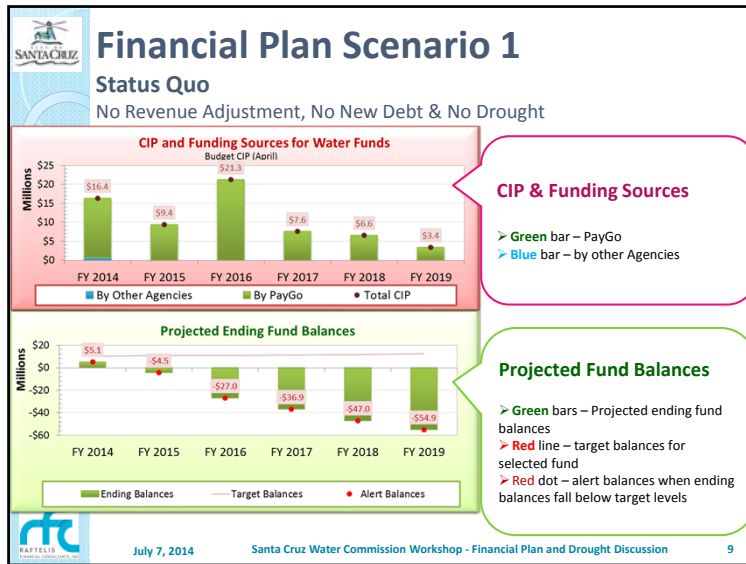
Rev Adjmts Revenue Adjustments and Debt Coverage Coverage

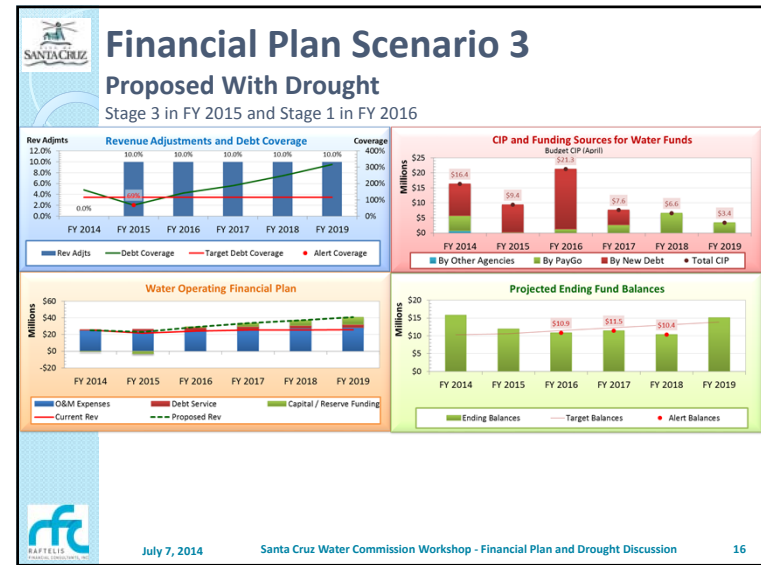
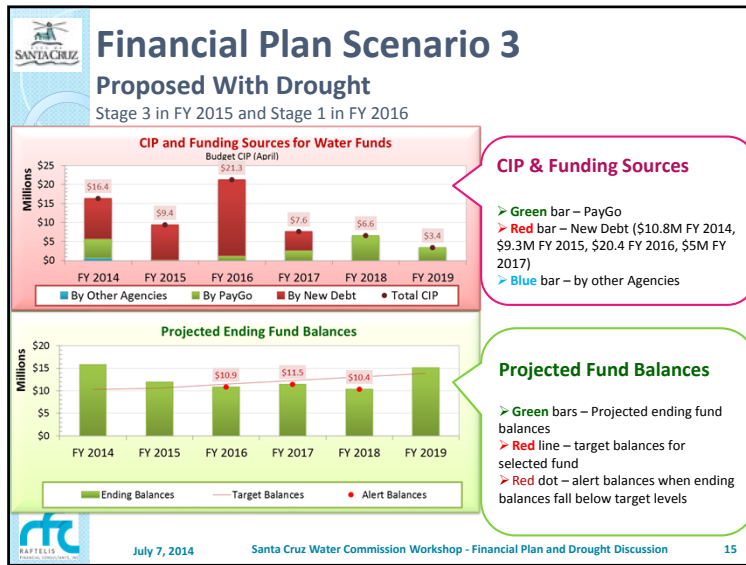
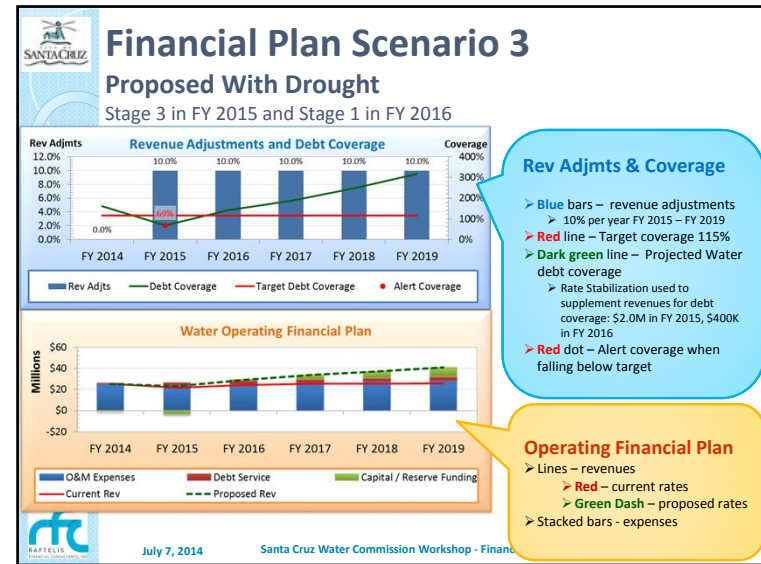
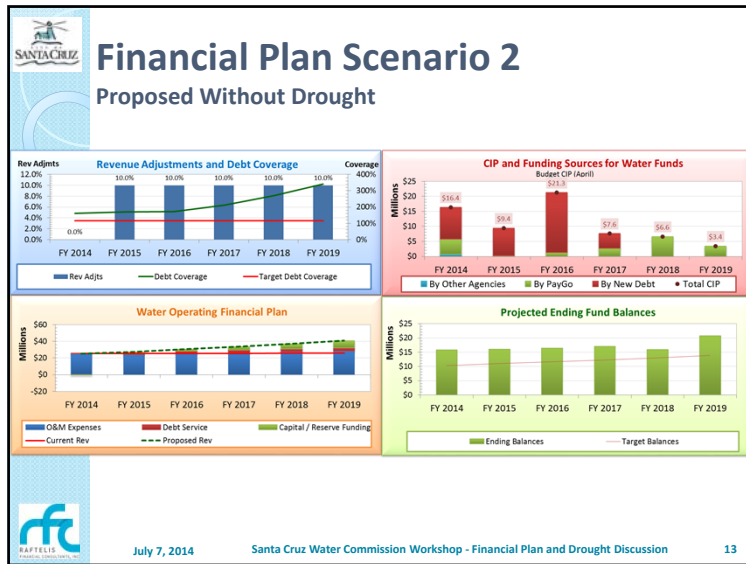
Legend: Debt Coverage (Dark green line), Target Debt Coverage (Red line), Alert Coverage (Red dot)

Water Operating Financial Plan

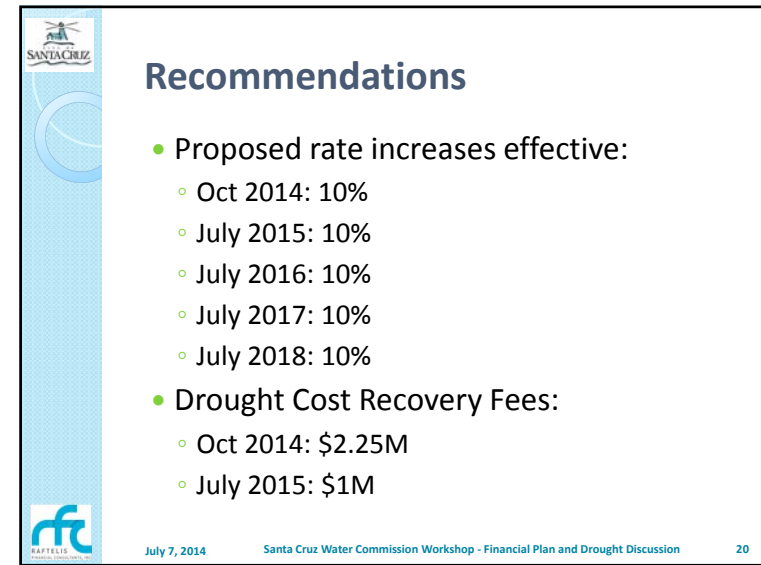
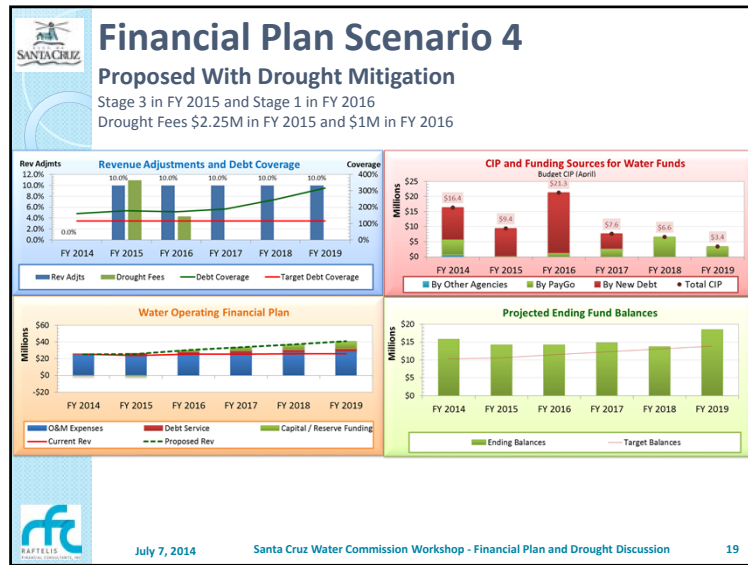
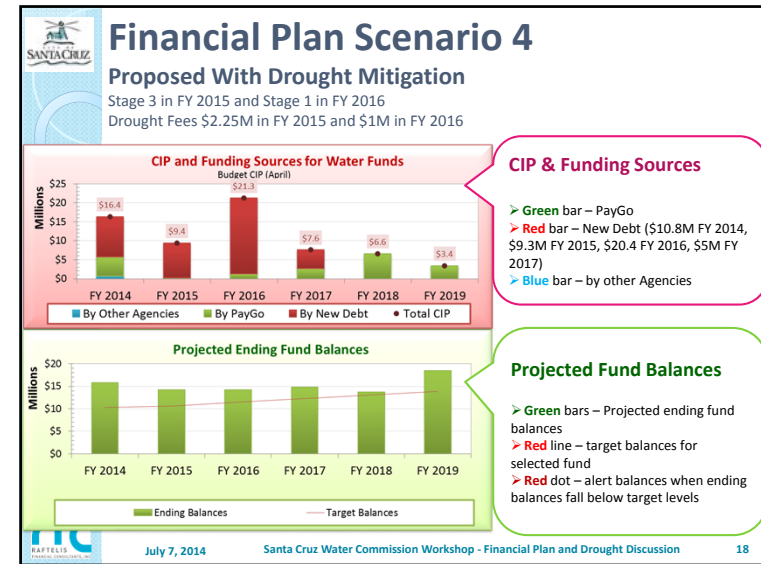
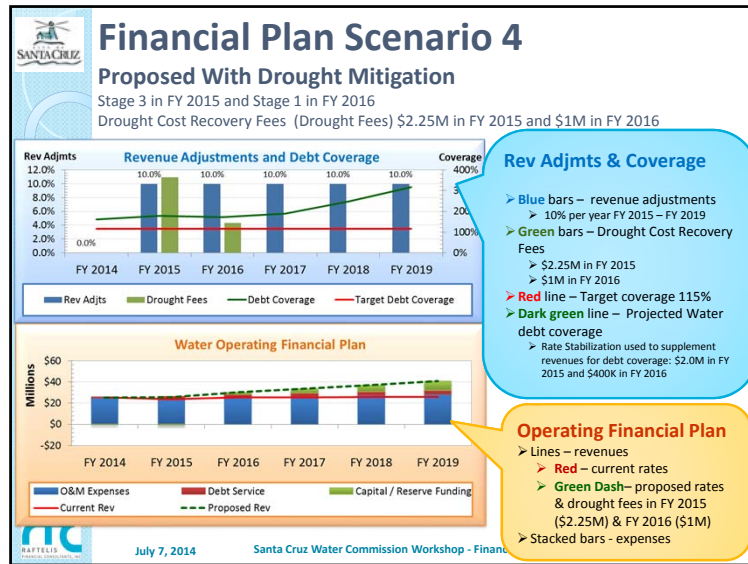
Legend: O&M Expenses (Blue), Debt Service (Red), Capital / Reserve Funding (Green), Current Rev (Red line), Proposed Rev (Green Dash), Stacked bars - expenses

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### Proposed Rates

Current Rates	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018	
5/8-in	\$17.41	\$19.16	\$21.08	\$23.19	\$25.51	\$28.07
3/4-in	\$17.41	\$19.16	\$21.08	\$23.19	\$25.51	\$28.07
1-in	\$43.52	\$47.88	\$52.67	\$57.94	\$63.74	\$70.12
1 1/2-in	\$87.05	\$95.76	\$105.34	\$115.88	\$127.47	\$140.22
2-in	\$139.27	\$153.20	\$168.52	\$185.38	\$203.92	\$224.32
3-in	\$261.14	\$287.26	\$315.99	\$347.59	\$382.35	\$420.59
4-in	\$435.24	\$478.77	\$526.65	\$579.32	\$637.26	\$700.99
6-in	\$870.46	\$957.51	\$1,053.27	\$1,158.60	\$1,274.46	\$1,401.91
8-in	\$2,002.05	\$2,202.26	\$2,422.49	\$2,664.74	\$2,931.22	\$3,224.35
10-in	\$2,472.09	\$2,719.30	\$2,991.23	\$3,290.36	\$3,619.40	\$3,981.34
<b>SFR</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>
Tier 1	\$1.57	\$1.73	\$1.91	\$2.11	\$2.33	\$2.57
Tier 2	\$4.00	\$4.40	\$4.84	\$5.33	\$5.87	\$6.46
Tier 3	\$5.14	\$5.66	\$6.23	\$6.86	\$7.55	\$8.31
Tier 4	\$7.05	\$7.76	\$8.54	\$9.40	\$10.34	\$11.38
Tier 5	\$8.79	\$9.67	\$10.64	\$11.71	\$12.89	\$14.18
<b>Uniform (Non-SFR)</b>	<b>\$4.00</b>	<b>\$4.40</b>	<b>\$4.84</b>	<b>\$5.33</b>	<b>\$5.87</b>	<b>\$6.46</b>

## DROUGHT COST RECOVERY FEES OPTIONS

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### Drought Cost Recovery Fees Options

- At the last Water Commission Meeting, RFC presented the policy options for the Drought Cost Recovery
- Based on the input from the Water Commission we have the following options:
  - 100% fixed drought recovery
  - 100% uniform commodity drought recovery
  - 70% fixed and 30% commodity drought recovery

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### Drought Cost Recovery Fees

100% Fixed Readiness-To-Serve (RTS)

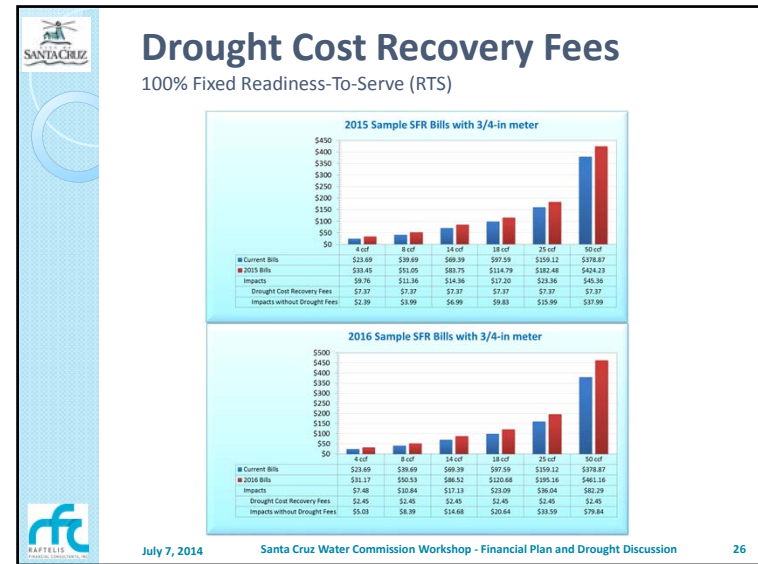
Drought Fees	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018
<b>On RTS</b>					
5/8-in	\$7.37	\$2.45			
3/4-in	\$7.37	\$2.45			
1-in	\$18.43	\$6.13			
1 1/2-in	\$36.85	\$12.25			
2-in	\$58.96	\$19.60			
3-in	\$110.55	\$36.75			
4-in	\$184.25	\$61.25			
6-in	\$368.50	\$122.50			
8-in	\$847.55	\$281.75			
10-in	\$1,046.54	\$347.90			
<b>Commodity</b>	<b>\$0 / ccf</b>	<b>\$0 / ccf</b>			

July 7, 2014 Santa Cruz Water Commission Workshop - Financial Plan and Drought Discussion 24

### Proposed Rates

with 100% Fixed Drought Recovery Fees

Current Rates	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018	
5/8-in	\$17.41	\$26.53	\$23.53	\$23.19	\$25.51	\$28.07
3/4-in	\$17.41	\$26.53	\$23.53	\$23.19	\$25.51	\$28.07
1-in	\$43.52	\$66.31	\$58.80	\$57.94	\$63.74	\$70.12
1 1/2-in	\$87.05	\$132.61	\$117.59	\$115.88	\$127.47	\$140.22
2-in	\$139.27	\$212.16	\$188.12	\$185.38	\$203.92	\$224.32
3-in	\$261.14	\$397.81	\$352.74	\$347.59	\$382.35	\$420.59
4-in	\$435.24	\$663.02	\$587.90	\$579.32	\$637.26	\$700.99
6-in	\$870.46	\$1,326.01	\$1,175.77	\$1,158.60	\$1,274.46	\$1,401.91
8-in	\$2,002.05	\$3,049.81	\$2,704.24	\$2,664.74	\$2,931.22	\$3,224.35
10-in	\$2,472.09	\$3,765.84	\$3,339.13	\$3,290.36	\$3,619.40	\$3,981.34
<b>SFR</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>
Tier 1	\$1.57	\$1.73	\$1.91	\$2.11	\$2.33	\$2.57
Tier 2	\$4.00	\$4.40	\$4.84	\$5.33	\$5.87	\$6.46
Tier 3	\$5.14	\$5.66	\$6.23	\$6.86	\$7.55	\$8.31
Tier 4	\$7.05	\$7.76	\$8.54	\$9.40	\$10.34	\$11.38
Tier 5	\$8.79	\$9.67	\$10.64	\$11.71	\$12.89	\$14.18
<b>Uniform (Non-SFR)</b>	<b>\$4.00</b>	<b>\$4.40</b>	<b>\$4.84</b>	<b>\$5.33</b>	<b>\$5.87</b>	<b>\$6.46</b>



### Drought Cost Recovery Fees

100% Uniform Commodity

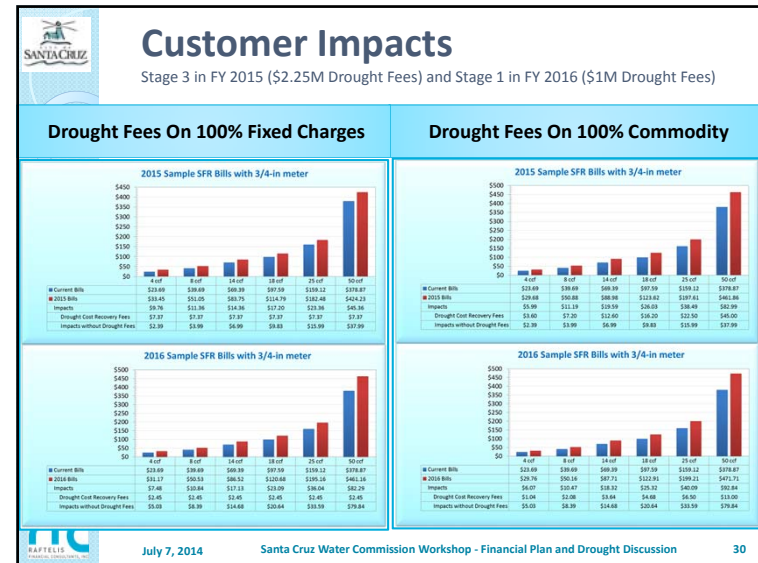
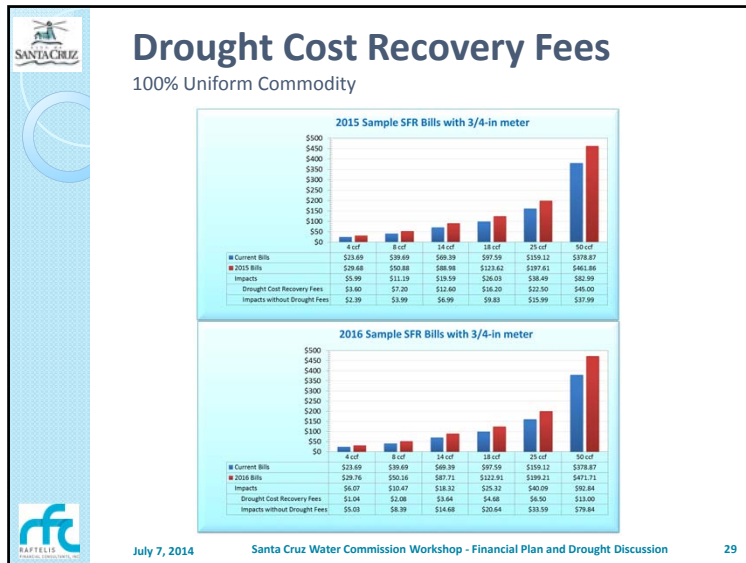
Drought Fees	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018
<b>On RTS</b>					
5/8-in	\$0	\$0			
3/4-in	\$0	\$0			
1-in	\$0	\$0			
1 1/2-in	\$0	\$0			
2-in	\$0	\$0			
3-in	\$0	\$0			
4-in	\$0	\$0			
6-in	\$0	\$0			
8-in	\$0	\$0			
10-in	\$0	\$0			
<b>Commodity</b>	<b>\$0.90/ ccf</b>	<b>\$0.26 / ccf</b>			

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### Proposed Rates

with 100% Uniform Commodity Drought Recovery Fees

Current Rates	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018	
5/8-in	\$17.41	\$19.16	\$21.08	\$23.19	\$25.51	\$28.07
3/4-in	\$17.41	\$19.16	\$21.08	\$23.19	\$25.51	\$28.07
1-in	\$43.52	\$47.88	\$52.67	\$57.94	\$63.74	\$70.12
1 1/2-in	\$87.05	\$95.76	\$105.34	\$115.88	\$127.47	\$140.22
2-in	\$139.27	\$153.20	\$168.52	\$185.38	\$203.92	\$224.32
3-in	\$261.14	\$287.26	\$315.99	\$347.59	\$382.35	\$420.59
4-in	\$435.24	\$478.77	\$526.65	\$579.32	\$637.26	\$700.99
6-in	\$870.46	\$957.51	\$1,053.27	\$1,158.60	\$1,274.46	\$1,401.91
8-in	\$2,002.05	\$2,202.26	\$2,422.49	\$2,664.74	\$2,931.22	\$3,224.35
10-in	\$2,472.09	\$2,719.30	\$2,991.23	\$3,290.36	\$3,619.40	\$3,981.34
<b>SFR</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>
Tier 1	\$1.57	\$2.63	\$2.17	\$2.11	\$2.33	\$2.57
Tier 2	\$4.00	\$5.30	\$5.10	\$5.33	\$5.87	\$6.46
Tier 3	\$5.14	\$6.56	\$6.49	\$6.86	\$7.55	\$8.31
Tier 4	\$7.05	\$8.66	\$8.80	\$9.40	\$10.34	\$11.38
Tier 5	\$8.79	\$10.57	\$10.90	\$11.71	\$12.89	\$14.18
<b>Uniform (Non-SFR)</b>	<b>\$4.00</b>	<b>\$5.30</b>	<b>\$5.10</b>	<b>\$5.33</b>	<b>\$5.87</b>	<b>\$6.46</b>



### Drought Cost Recovery Fees

70% Fixed RTS, 30% Commodity

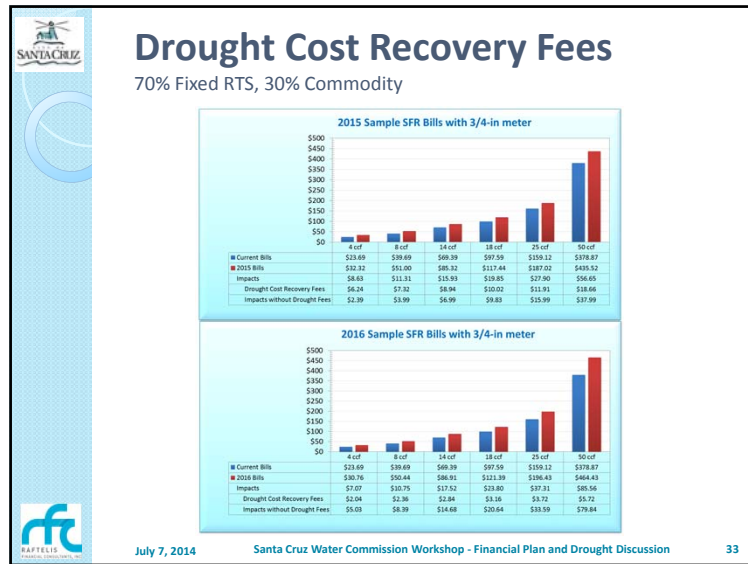
Drought Fees	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018
<b>On RTS</b>					
5/8-in	\$5.16	\$1.72			
3/4-in	\$5.16	\$1.72			
1-in	\$12.90	\$4.30			
1 1/2-in	\$25.80	\$8.60			
2-in	\$41.28	\$13.76			
3-in	\$77.40	\$25.80			
4-in	\$129.00	\$43.00			
6-in	\$258.00	\$86.00			
8-in	\$593.40	\$197.80			
10-in	\$732.72	\$244.24			
<b>Commodity</b>	\$0.27/ ccf	\$0.08 / ccf			

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### Proposed Rates

with 70% Fixed RTS and 30% Commodity Drought Recovery Fee

Current Rates	FY 2015 Effective October 2014	FY 2016 Effective July 2015	FY 2017 Effective July 2016	FY 2018 Effective July 2017	FY 2019 Effective July 2018	
5/8-in	\$17.41	\$24.32	\$22.80	\$23.19	\$25.51	\$28.07
3/4-in	\$17.41	\$24.32	\$22.80	\$23.19	\$25.51	\$28.07
1-in	\$43.52	\$60.78	\$56.97	\$57.94	\$63.74	\$70.12
1 1/2-in	\$87.05	\$121.56	\$113.94	\$115.88	\$127.47	\$140.22
2-in	\$139.27	\$194.48	\$182.28	\$185.38	\$203.92	\$224.32
3-in	\$261.14	\$364.66	\$341.79	\$347.59	\$382.35	\$420.59
4-in	\$435.24	\$607.77	\$569.65	\$579.32	\$637.26	\$700.99
6-in	\$870.46	\$1,215.51	\$1,139.27	\$1,158.60	\$1,274.46	\$1,401.91
8-in	\$2,002.05	\$2,795.66	\$2,620.29	\$2,664.74	\$2,931.22	\$3,224.35
10-in	\$2,472.09	\$3,452.02	\$3,235.47	\$3,290.36	\$3,619.40	\$3,981.34
<b>SFR</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>	<b>\$ / ccf</b>
Tier 1	\$1.57	\$2.00	\$1.99	\$2.11	\$2.33	\$2.57
Tier 2	\$4.00	\$4.67	\$4.92	\$5.33	\$5.87	\$6.46
Tier 3	\$5.14	\$5.93	\$6.31	\$6.86	\$7.55	\$8.31
Tier 4	\$7.05	\$8.03	\$8.62	\$9.40	\$10.34	\$11.38
Tier 5	\$8.79	\$9.94	\$10.72	\$11.71	\$12.89	\$14.18
<b>Uniform (Non-SFR)</b>	\$4.00	\$4.67	\$4.92	\$5.33	\$5.87	\$6.46



### Recommendations

- Based on discussion with City Staff and Financial Advisor, Drought Cost Recovery Fees should be a monthly fixed charge based on meter size

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### Next Steps

- Present a rate increase and drought cost recovery fee proposal to the July 22<sup>nd</sup> City Council Meeting – Evening Session
- Proceed with the Proposition 218 Notice
- Public Hearing on adopting the rates on September 9<sup>th</sup>

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### Discussion

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## Drought Cost Recovery Fees Options

1. Monthly Fixed Charge
  - Example: \$15 flat charge for 3/4 in meter
2. Uniform Commodity Charge
  - Example: \$0.70 per ccf




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## Drought Cost Recovery Fees on Monthly Fixed Charge

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Stable and guaranteed recovery of lost revenue</li> <li>• Simple to understand and administer</li> </ul>	<ul style="list-style-type: none"> <li>• Weak conservation signal and less incentive to reduce peak consumption</li> <li>• Assessing the same charge to all customers does not equitably target highest users</li> <li>• Heavy affordability impacts on small users</li> </ul>




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## Drought Cost Recovery Fees on Uniform Commodity Charge

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Applying surcharge to all volumetric usage sends consistent conservation signal to all customers</li> <li>• High-use customers generate greater share of revenue in conjunction with their use</li> <li>• Simple to understand and administer</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate revenue volatility due to reliance on consumption that should be reduced</li> <li>• Moderate affordability impacts</li> </ul>




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## Policy Overview of Drought Cost Recovery Fees

Objectives	Monthly Fixed Charge	Uniform Commodity Charge
Easy to understand and administer	★ ★ ★	★ ★
Stability and guaranteed recovery of revenue	★ ★ ★	★ ★
Ability to change the bill	★	★ ★
Targeted penalty / conservation	★	★ ★
Promotes affordability	★	★ ★



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**WATER DEPARTMENT  
MEMORANDUM**

DATE: July 1, 2014  
TO: Water Commissioners  
FROM: Rosemary Menard  
Water Director  
SUBJECT: Water Commission Bylaws/Minutes Update

---

**RECOMMENDATION:** That the Water Commission reviews the Bylaws and recommends an approach to assist staff in moving forward with this issue.

---

Per your request during the June 2, 2014 meeting, the Water Commission Bylaws have been provided to you for your review. It is our understanding that you would like to revise the language in the bylaws on page 12 to read as follows: “Article XIII – Record Keeping, Section 3. Minutes to include summaries of comments and questions asked during meeting discussions.” If this statement is correct we can take this change in the Water Commission’s bylaws to a future City Council meeting for review and action.

However, if you would like to make additional changes to the Water Commission Bylaws beyond a change to the Minutes, then Water Department staff recommends that the Commission create an Ad Hoc Committee to develop proposed revisions of the bylaws for review and action by the full Commission and subsequent presentation to the City Council for review and action. Information on the formation and operations of an Ad Hoc Committee can be found in the Bylaws on page 13, Article XIV – Committees, Section 1. Ad Hoc Committees.

Please let us know your preference at our July 7<sup>th</sup> Water Commission meeting so we can begin the next step of this process.

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**BYLAWS**

of the

**Water Commission  
City of Santa Cruz, California**

**Under authority of applicable statutes of the State of California, and the City Charter of the City of Santa Cruz, California, for the purpose of establishing rules and regulations governing the organization and procedures of the Water Commission of the City of Santa Cruz, CA**

**Adopted June 27, 1977**

**Amended May 26, 1992**

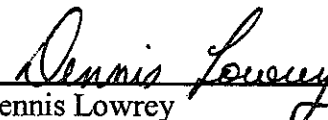
**Amended May 5, 2003**

Approved by City Council on March 9, 2004

Amended this 3rd day of November 2003

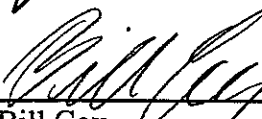
**APPROVED:**

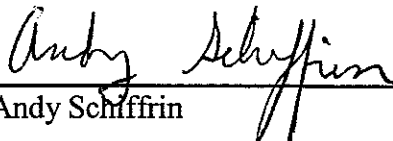
  
Bill Malone, Chair


  
Dennis Lowrey


  
Justine Wolcott, Vice-Chair

  
David Reetz

  
Bill Cox

  
Andy Schiffrin

  
Charlie Keutmann

Approved as to form:  
 2-26-04  
John Barisone, City Attorney

ATTEST:   
Bill Kocher, Water Director

# Water Commission Bylaws

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# **Water Commission Bylaws**

## **ARTICLE I – NAME AND/OR AUTHORITY**

The Name of this organization shall be the Water Commission of the City of Santa Cruz, California; hereinafter referred to as the Advisory Body.

## **ARTICLE II – PURPOSE**

The Water Commission will act in an advisory capacity to the City Council in all matters pertaining to the Santa Cruz water system and the maintenance and management thereof.

## **ARTICLE III – DUTIES AND RESPONSIBILITIES**

The Water Commission shall have the ability, as vested by the City Council, and be required to:

- Recommend to the City Council, after public input, the adoption, amendment or repeal of ordinances relating to Chapter 16 Water, Sewers and other Public Services of the Santa Cruz Municipal Code;
- Make recommendations concerning proposed annual Water Department budget, Capital Improvement Program, Water Rate Resolutions and Water Resale Applications;
- Undertake studies and make recommendations in the area of Water Conservation and Water Supply Planning;
- Act in an advisory capacity to the City Council in all matters pertaining to the Santa Cruz water system and the maintenance and management thereof;
- Review and make recommendations to the City Council pertaining to the improvement and extension of the water system of the City, including sources, storage, quality, transmission and distribution of water to the inhabitants, and all subjects related thereto, including estimated costs of carrying out such recommendations;
- Review, monitor, and make long-range recommendations concerning securing sources of domestic water supply for the City; including re-examination of prior reports thereon to ascertain the value thereof if any at this time;
- Receive complaints pertaining to the Santa Cruz water system;
- Perform other duties as may from time to time be prescribed by the City Council.

## **ARTICLE IV – MEMBERSHIP**

### **Section 1. Membership**

The Water Commission shall consist of seven Water Commissioners, hereinafter referred to as members.

Membership, term of office, and procedures for removal of members and the filling of vacancies shall be as established by City Ordinance or by the City Council.

## Section 2. Qualifications

The Water Commission shall be comprised of seven members. Six members of the water commission shall be qualified electors of the city, and one member shall be a qualified elector of the county who resides outside of the city limits but within the city's water service area. (Ord. 2003-32 § 1, Ord. 2000-08 § 1, 2000: Ord. 92-26 § 1, 1992; Ord. 87-10 § 1 (part), 1987).

## Section 3. Application for Membership

Prospective members shall file an application in the office of the City Clerk.

## Section 4. Method of Appointment

Each City Resident member shall be appointed by motion of the City Council adopted by at least four affirmative votes. The non-resident member shall be appointed by a four-member majority of the city council and nominations for that appointment may be made by any Councilmember.

## Section 5. Good Standing and Reporting of Absences

Absences will be identified as “with notification” and “without notification.” An absence is considered as “with notification” if the member notifies the Staff or the Chair prior to a regular or special meeting. If there has been no prior notification, the absence is considered “without notification.”

Each member is allowed three absences with notification per calendar year. Should a member exceed the allowed absences from regular and special meetings, Staff shall notify the City Clerk. Excessive absences shall result in termination of membership. A leave of absence, approved by the City Council according to Council Policy is not subject to termination.

## Section 6. Termination

Each member shall be subject to removal by motion of any Councilmember, adopted by at least four affirmative votes.

# **ARTICLE V – TERM OF OFFICE**

## Section 1. Term

The term of office for each member shall be one four-year term. A member may be appointed to complete an unexpired term. A member may continue to serve until his/her successor has been appointed.

## Section 2. Membership Year

A membership year shall be from February 1st to January 31st of each year.

## Section 3. Length of Term

A member shall not serve more than two consecutive full four-year terms. Upon completion of a member's eighth consecutive year of service, that member will be ineligible for reappointment for a period of two years. Upon completion of a member's second full four year term, that member will be ineligible for reappointment for a period of two years.

## Section 4. Dual Service

No member shall be eligible to serve on two Advisory Bodies unless one is established for less than 13 months.

## **ARTICLE VI – OFFICERS AND ELECTIONS**

### **Section 1. Officers**

Officers of the Advisory Body shall consist of a Chair and Vice Chair.

### **Section 2. Election of Officers**

As soon as is practicable following the first day of February of every year, there shall be elected from among the membership of the Advisory Body a Chair and Vice Chair.

### **Section 3. Term of Office**

The term of office for the Chair and Vice Chair is one calendar year. Officers may not serve in the same position for more than two consecutive years.

### **Section 4. Nominations**

The Chair will open the floor to nominations. Any member may nominate a candidate from the membership for the position of Chair or Vice Chair; nominations need not be seconded.

A member may withdraw his/her name if placed in nomination, announcing that, if elected, s/he would not be able to serve; but s/he shall not withdraw in favor of another member.

Once the nominations are complete, the Chair will ask for a motion to close the nominations; a second of, and vote on, the motion is required.

The Chair then declares that it has been moved and seconded that the nominations be closed, and the members proceed to the election.

### **Section 5. Voting**

Voting may be by voice vote or by roll call vote.

The candidate who receives a majority of the votes is then declared to be legally elected to fill the office of Chair, and will immediately chair the remainder of the meeting.

The same procedure is followed for the election of Vice Chair.

### **Section 6. Vacancy of an Officer**

Should a vacancy occur, for any reason, in the office of Chair or Vice Chair prior to the next annual election, a special election shall be held to fill the vacant office from among the membership. That member shall serve until a new appointment has been made.

### **Section 7. Removal of Elected Officers**

The Chair or Vice Chair may be removed by a majority vote of the full Advisory Body at a regularly scheduled meeting of the Advisory Body, when all appointed members are present, or at a special meeting convened for that purpose at which a quorum is present. Any officer removed ceases to hold the office once the vote has been tallied and announced. If the Chair is removed, the Vice Chair shall become the new Chair. An election for the Vice Chair shall then be agendized for the next meeting.

### Section 8. Duties of the Chair

The Chair shall preside at all regular meetings and may call special meetings. The Chair shall decide upon all points of order and procedure during the meeting; his/her decision shall be final unless overruled by a vote of the Advisory Body, in compliance with Article IX, Section 2, "General Conduct of Meetings." The Chair may not make motions, but may second motions on the floor. The Chair acts as primary contact for staff and shall represent the Advisory Body before City Council whenever the Advisory Body or Council considers it necessary unless another member(s) is (are) appointed by the Advisory Body. The Chair and staff shall jointly set the meeting agenda.

### Section 9. Duties of the Vice Chair

The Vice Chair shall assume all duties of the Chair in the absence or disability of the Chair.

### Section 10. Duties of the Acting Chair

In case of absence of both the Chair and the Vice Chair from any meeting, an Acting Chair shall be elected from among the members present, to serve only during the absence of the Chair and Vice Chair.

## **ARTICLE VII – STAFF SUPPORT**

### Section 1. Staff

Staff support and assistance is provided, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council.

The Director of the Water Department shall designate appropriate staff to act as staff person(s) to assist and support the Advisory Body. Staff shall attend all regular and special Advisory Body meetings. Staff shall be responsible for coordination of such reports, studies, and recommendations as are necessary to assist the Advisory Body in the conduct of its business according to City Council policy and the Brown Act. Staff may enlist the assistance of other departments as required. Staff shall be responsible for all public notification regarding all regular and special Advisory Body meetings.

Staff shall record the minutes of the meetings in accordance with the guidelines established in the "Preparation of Minutes" section of the City Councilmembers' Handbook, shall supervise volunteers and interns, shall work closely with the Chair between meetings, shall make recommendations, prepare reports and proposals to the Advisory Body, may represent the Advisory Body at other meetings, presentations, and other public functions as requested, and shall perform administrative tasks.

Staff shall be responsible for the maintenance of proper records and files pertaining to Advisory Body business. Staff shall receive and record all exhibits, petitions, documents, or other materials presented to the Advisory Body in support of, or in opposition to, any question before the Advisory Body. Staff shall sign all notices prepared in connection with Advisory Body business, shall attest to all records of actions, transmittals, and referrals as may be necessary or required by law, and shall be responsible for compliance with all Brown Act postings and noticing requirements.

## Section 2. Staff Relationship to the Advisory Body

Given limited staff resources, the Chair or individual members shall not make separate requests of staff without approval of the Advisory Body. If a member has a research or report request, it shall be brought to the Advisory Body for discussion, consideration, and recommendation prior to making the request of staff. If not approved by the Advisory Body, the individual member shall be responsible for his/her own research or report.

Staff and the Chair shall jointly set the meeting agenda.

## **ARTICLE VIII – MEETINGS**

### Section 1. Time and Location of Meetings

The Advisory Body will hold its regular meeting on the first Monday of each month, which shall begin at 7:00 p.m. in the City Council Chambers and will adjourn no later than 11:00 p.m., unless the Chair, with concurrence of the Advisory Body, extends the time of adjournment.

If the scheduled date for a regular meeting falls on a holiday, such meeting shall be rescheduled in accordance with Council policy.

### Section 2. Cancellation

If a majority of the membership deems it necessary or desirable, a scheduled regular meeting may be cancelled or rescheduled upon giving notice, unless a public hearing has previously been noticed.

### Section 3. Special Meetings

The Chair of the Advisory Body, staff, or a majority of the membership of the Advisory Body may call a special meeting. Notice of such meeting shall state the purpose or the business to be transacted during such special meeting. No other business may be transacted at such special meeting other than as stated in the notice. Oral Communications are not required at special meetings as long as a statement appears on the agenda identifying that there will be no Oral Communications, but that members of the public will have the opportunity to address the Advisory Body on item(s) on the agenda.

## **ARTICLE IX – CONDUCT OF MEETINGS**

### Section 1. Compliance with the Brown Act and Council Policies

All regular, special, and adjourned meetings of the Advisory Body shall be open meetings to which the public and the press shall be admitted in compliance with the Brown Act. Meetings will be held at City facilities that which are accessible to persons with disabilities. The public shall have the opportunity to speak on any item on the agenda.

### Section 2. General Conduct of Meetings

Points of order and conduct, including those not addressed by these Bylaws, shall be settled by the Chair, unless overruled by a majority vote of the Advisory Body. Points of order and conduct shall comply with the Brown Act, these Bylaws, and the City Councilmembers' Handbook. The Chair will consult with staff as necessary. Unresolved issues shall be referred to the City Attorney and continued to a future meeting.



### Section 3. How Items Are Placed on the Agenda

A request to have an item placed for consideration on a future agenda may be made by staff, any Advisory Body member or a member of the public. The Chair and staff will consider the validity (within the approved scope of work) and urgency of the request and determine when and if that item should be placed on an Advisory Body agenda. Issues can be referred to an advisory body by the City Council and may have time sensitive deadlines. The items must comply with the procedures in Article XII, Section 1, "Agenda Reports to Advisory Body."

### Section 4. Quorum

A quorum of the Water Commission shall consist of four (4) members, whether or not there are vacancies on the Advisory Body.

### Section 5. Absence of a Quorum

In the absence of a quorum at any meeting, such meeting shall be adjourned to the next regular meeting date by the Chair, Vice Chair, or staff.

A meeting may be declared adjourned for lack of a quorum after a 15-minute period has elapsed from the scheduled time of the start of the meeting. A meeting may also be declared adjourned in advance, if absence notifications received by staff provided for lack of a quorum. Adjournment may be declared by any member or staff.

### Section 6. Agenda

The Chair and staff shall jointly set the meeting agenda and its format shall conform to the template set by Council Policy.

### Section 7. Order of Business

The Chair or a majority vote of the Advisory Body may change the order of business.

## **ARTICLE X – MOTIONS**

### Section 1. Call for Motion

Upon conclusion of preliminary discussion, any member other than the Chair may place a motion on the floor. The motion shall contain the proposed action.

### Section 2. Seconding a Motion

The Chair shall receive all motions and shall call for a second to each motion. The Chair may second a motion.

### Section 3. Lack of a Second

If, after a reasonable time, no second has been made, the motion shall be declared dead for lack of a second, and the Chair shall state this. This shall not be considered an action of the Advisory Body and shall not be included in the minutes.

### Section 4. Discussion/Debate

After a motion has been made and seconded, the Chair shall call for a discussion of the question. All discussion shall be limited to the motion on the floor. At the close of the discussion, the Chair shall put the matter to a vote.

### Section 5. Time Limits on Discussion/Debate

The Chair may, at his/her discretion, limit debate of any motion; except that each member shall have the opportunity to speak.

### Section 6. Amending a Motion

A motion to amend may be made by any member to revise a motion on the floor; but it cannot be a freestanding motion on its own, nor can it substitute for a main motion. The motion to amend must be voted upon, unless the maker and the second accept it as a friendly amendment, and, if it passes, it then becomes part of the main motion.

### Section 7. Withdrawing a Motion

Any motion may be withdrawn by the maker and the second and shall not be included in the meeting minutes.

### Section 8. Motion to Table

A motion to table may be made to suspend consideration of an item that appears on a meeting agenda for reasons of urgency or to end an unproductive discussion. A motion to table is not in order when another member has the floor. A motion to table requires a second, is not debatable, is not amendable, requires a majority vote for passage, and, if adopted, cannot be reconsidered at the meeting at which it is adopted. Members will refrain from using a motion to table as a means of capriciously limiting debate among members, to suppress a minority of the Advisory Body, or to avoid public input on an agenda item under consideration by the Advisory Body.

### Section 9. Results of Voting

The Chair shall state the results of each vote, e.g., “The motion passes by a vote of five to two.”

## **ARTICLE XI – VOTING**

### Section 1. Statements of Disqualification

Section 607 of the City Charter states that “...All members present at any meeting must vote unless disqualified, in which case the disqualification shall be publicly declared and a record thereof made.” No member may abstain from voting on any item, except on the approval of the minutes, when that member was absent.

The City of Santa Cruz has adopted a Conflict of Interest Code, and Section 8 of that Code states that “no person shall make or participate in a governmental decision which s/he knows or has reason to know will have a reasonably foreseeable material financial effect distinguishable from its effect on the public generally.”

Any member who has a disqualifying interest on a particular matter shall do the following:

- 1) Publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required;
- 2) Recuse himself or herself from discussing and voting on the matter, or otherwise acting in violation of government code Section 87100;

- 3) Leave the room until after the discussion, vote, and any other disposition of the matter is concluded unless the matter has been placed on the portion of the agenda reserved for uncontested matters;
- 4) Notwithstanding paragraph 3, a public official may speak on the issue during the time that the general public speaks on the issue.

Any question regarding conflicts of interest shall be referred to the City Attorney.

#### Section 2. Voice Vote

All questions shall be resolved by voice vote. Each member shall vote “Aye” or “No” and the vote shall be so entered into the minutes, noting the vote of each member. A member may state the reasons for his or her vote, which reasons shall also be entered into the minutes of the meeting. All members including the Chair shall vote on all matters, except where s/he has a disqualifying interest.

#### Section 3. Roll Call Vote

Any member may request a roll call vote, either before or immediately after a voice vote. A roll call vote shall be taken without further discussion. The Advisory Body staff shall call the roll and each member shall state his/her vote for the record.

#### Section 4. Sealed Ballot Votes

No Advisory Body shall take a sealed ballot vote in open session.

#### Section 5. Adoption of

Adoption of a motion shall be made by a simple majority of the members present, except as otherwise provided. The Chair shall restate the vote for the record, e.g., “The motion is approved by a vote of five to two.”

#### Section 6. Tie Votes

Tie votes will be resolved as follows:

**Full Commission Attendance (7 members):** A vote resulting in a tie when the full commission is in attendance shall constitute a defeat of the motion.

**Statement of Disqualification:** A tie vote resulting from a Statement of Disqualification of one or more members, with no members absent and no vacancies on the Advisory Body, shall constitute a defeat of the motion.

**Absence:** A tie vote during the absence of one or more members, or when there is a vacancy on the Advisory Body, shall cause the item to be automatically continued to the next meeting; except that, as to matters on which action must be taken on a date prior to the next meeting, a tie vote shall constitute a denial of the requested action.

**Successive Tie Vote:** A tie vote at the next meeting on a matter that has been continued as a result of a tie vote shall constitute a denial of the appeal or defeat of the motion.

## **ARTICLE XII – REPORTS**

### **Section 1. Agenda Reports to Advisory Body**

All agenda items require a written report. Written reports serve as the analysis, detail, history, and justification for each agenda item. Reports shall include recommendation(s) and background. If a report is initiated by an Advisory Body member, a draft of that report shall be provided to staff for formatting at least five (5) business days prior to the meeting. Staff shall then format reports to be consistent with content, style, and formatting of City Council agenda reports. Items initiated by a committee shall be processed in the same manner. Draft reports not submitted in a timely manner shall be placed on a future agenda.

### **Section 2. Committee Reports**

Committee reports may be verbal or written and may be accompanied by written documentation.

### **Section 3. Preparation of Advisory Body-Generated City Council Agenda Reports**

All resolutions and recommendations adopted by the Advisory Body and addressed to the City Council shall be delivered to the Mayor as soon as possible. If the action requests City Council action, the item shall be placed on a future City Council agenda. Agenda reports to the City Council from the Advisory Body shall be written reports consistent with content, style, and formatting of City Council agenda reports.

Additionally, the agenda report shall include a section called analysis, which includes the pros, cons, and foreseeable consequences of the recommendation(s). In the event that staff and the Advisory Body disagree, an analysis of both recommendations shall be included.

## **ARTICLE XIII – RECORD KEEPING**

### **Section 1. Maintenance of Records**

All records shall be maintained according to the City of Santa Cruz Records Retention Schedule.

### **Section 2. Action Agenda**

Action agendas are required for Advisory Bodies with direct City Council appointments. An action agenda is an unofficial record of the meeting and shall consist of attendance; motion maker and seconder of the motion; and an actual tally of the votes for all actions taken. The action agenda shall be made available to the Advisory Body, the City Clerk, and Staff within four working days of the meeting.

### **Section 3. Minutes**

Action-only minutes will be produced for all Advisory Body meetings in the same format as that used for City Council meetings. Advisory Body members who want a particular comment included in the minutes must state “for the record” before making such comment. Minutes shall be reviewed, corrected as appropriate, and or amended and approved by the Advisory Body at a subsequent meeting.

Subcommittee reports presented orally in a meeting shall be summarized in the minutes.

#### Section 4. Audio and Video Recording of Meetings

Proceedings for all Advisory Body meetings shall be recorded on audiotapes whenever possible. The audiotapes shall be retained for one year pursuant to the City of Santa Cruz Records Retention Schedule.

As appropriate and/or when requested by the Advisory Body or City Council, a meeting of the Advisory Body may be video recorded or televised.

Members of the public have the right to make recordings of a meeting without disrupting the proceedings under any circumstances.

### **ARTICLE XIV – COMMITTEES**

#### Section 1. Ad Hoc Committees

Ad hoc committees are established by an Advisory Body to gather information or deliberate on issues deemed necessary to carrying out the functions and purpose of the Advisory Body. Ad hoc committees generally serve only a limited or single purpose, are not perpetual, and are dissolved once their specific task is completed. An ad hoc committee shall be less than six months in term and shall have fewer members than a simple majority of the membership of the appointing Advisory Body. Ad hoc committees shall bring back information to the Advisory Body in either oral or written form.

Following ad hoc committee input, the Advisory Body shall then discuss, deliberate, and make recommendations on the designated issue, thereby providing the public with the opportunity to participate in the decision-making process. This shall take place in the presence of a quorum of the Advisory Body at a properly noticed public meeting.

Ad hoc committees shall not be subject to the Brown Act. City staff shall not be required to be present at ad hoc committee meetings. All ad hoc committees shall provide a final report to the Advisory Body in lieu of minutes.

#### Section 2. Standing Committees

Standing committees are bodies established to gather information or deliberate on issues deemed necessary to carrying out the functions and purpose of the Advisory Body. Standing committees are ongoing in nature and are created to deal with issues and make decisions on behalf of the Advisory Body. The public has a right to participate in this process. Standing committees are subject to the Brown Act and staff will provide only such support as to ensure such compliance.

#### Section 3. Staff Support to Committees

City staff shall normally not be required to attend or provide support for standing or ad hoc committee meetings, unless directed by the department head. All ad hoc committees shall provide a final report to the Advisory Body in lieu of minutes. All standing committees shall provide reports, no less than quarterly, to the Advisory Body.

#### Section 4. Appointments

The Chair of the Advisory Body may designate or solicit participation for standing and ad hoc committees, unless overruled by a majority vote of the Advisory Body.

### Section 5. Committee Meetings

All standing or ad hoc committee meetings shall be held upon call of the Committee Chair.

## **ARTICLE XV – AMENDMENTS**

A majority of the full membership of the Advisory Body may amend these bylaws, subject to the approval of the City Council.

## **ARTICLE XVI – ADOPTION OF BYLAWS**

Immediately upon favorable vote of not less than four (4) of the full membership of the Water Commission the City of Santa Cruz and approval of the City Council, these Bylaws shall be in full force and effect. Any and all previously adopted bylaws are hereby superseded.

These Bylaws shall not be considered or construed as superseding any ordinance or directive of the City Council of the City of Santa Cruz, nor shall they preclude the preparation and adoption of further procedural manuals and policies by which the Advisory Body may direct its activities.