



Water Department

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

### **Action Agenda of a Water Commission Meeting**

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

#### **Roll Call**

**Present:** D. Baskin (Chair), A. Schiffrin, D. Schwarm, D. Stearns, W. Wadlow (Vice-chair), and L. Wilshusen.

**Absent:** G. Mead (with notification)

**Staff:** R. Menard, Water Director; N. Dennis, Principal Management Analyst; E. Cross, Community Relations Specialist; T. Goddard, Administrative Service Manager; G. Rudometkin, Administrative Assistant III.

**Others:** Approximately 6 members of the public.

**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 D. Stearns moved approval of June 2, 2014 Water Commission minutes. Commissioner D. Schwarm seconded.

#### **VOICE VOTE: MOTION CARRIED**

**AYES:** D. Baskin, D. Schwarm, D. Stearns, W. Wadlow, and L. Wilshusen.

**NOES:** A. Schiffrin, let the record reflect that I voted no because in my view the current format of the minutes denies the public any information regarding the content of testimony from either members of the public or the commission except by its indirect approach.

**ABSTAINED:** None

#### **Consent Agenda**

1. City Council Items Affecting Water

Commissioner A. Schiffrin moved approval of the Consent Agenda as submitted.  
Commissioner L. Wilshusen seconded.

**VOICE VOTE: MOTION CARRIED**

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

**NOES:** None.

**Items Removed from the Consent Agenda** No items were removed.

**General Business**

1. Rate Increase and Drought Cost Recovery Recommendations

Presentation provided by Water Director, R. Menard; Principal Management Analyst, Nicole Dennis; and Sanjay Gaur of Raftelis Consulting and responded to Commission questions.

Public Comment: Oral communications made by P. Gratz, R. Pomerantz, D. Speltz, and A. Rosell.

Commissioner A. Schiffrin moved the motion as recommended by staff that 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 in order 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. A request was made that at a subsequent meeting Water Commissioners receive a detailed update on cost allocations and a timeframe to analysis.

Commissioner A. Schiffrin would also like to add that the Water Commissioners receive a detailed work plan update at a subsequent meeting on the cost allocations and rate redesign plan with a timeframe for implementing that analysis and those changes. The motion is also to include Commissioner L. Wilshusen's addition that the proposed rate chart with a 100% fixed drought recovery fees be included for both city residents and non-city residents.

Commissioner L. Wilshusen added to the motion the following: the total dollar amount of Drought Cost Recovery Fee to be levied shall be aligned to the level of water shortage emergency declared by the City Council. Commissioner A. Schiffrin added to the motion the following: the drought cost recovery fee should be added to the Proposition 218 public notice.

VOICE VOTE: MOTION CARRIED

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

NOES: None.

2. Water Commission Bylaws/Minutes Update

Public Comment: None

Commissioner L. Wilshusen moved that the Commission create a subcommittee appointing D. Stearns, D. Baskin, and A. Schiffrin to address the Water Commission Bylaws. Commissioner A. Schiffrin seconded.

VOICE VOTE: MOTION CARRIED

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

NOES: None.

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

1. WSAC Update

**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 9:28pm the next meeting of the Water Commission is scheduled for August 25, 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'

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Staff