

Board of Directors

Regular Meeting

08/12/21 at 6:00 p.m.

Santa Margarita Community Room
2 Civic Center Drive, Scotts Valley, California

Minutes

1. Convene

1.1. Call to Order and Roll Call

President Ekwall called the meeting to order at 6:00 p.m. The meeting was conducted in a hybrid setting.

Directors

Bill Ekwall

Wade Leishman

Chris Perri

Danny Reber (remote)

Ruth Stiles

Staff

Piret Harmon, General Manager

Nick Kurns, Finance & Customer Service Mgr, (remote)

David McNair, Operations Manager (remote)

Donna Paul, Assistant to General Manager (remote)

Robert Bosso, Legal Counsel (remote)

Associate Directors

Noelle Downing (absent)

Annie Finch (remote)

Audience

4 guests

1.2. Pledge of Allegiance and Invocation

Vice President Stiles led the pledge of allegiance and Director Reber provided the invocation.

1.3. Closed Session Report (none)

1.4. Additions/Deletions to the Agenda

None.

1.5. Oral Communications

An unidentified customer voiced privacy and surveillance concerns regarding the installation of AMI technology and requested that the Board take action to allow customers to opt out.

The Board requested that this item be brought back to the Engineering and Water Resources Committee with legal counsel present for discussion.

2. Presentations (none)

3. Administrative

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3.1. Approval of Minutes Regular Board Meeting 07/08/21

MOTION carried to approve the minutes of the 07/08/21 Board Meeting by unanimous roll call vote.

3.2. Committee and other Agency Meeting Reports

Executive & Public Affairs Committee (none)

There was nothing further to add to the written report.

Engineering and Water Resources Committee 07/26/21

Director Reber announced a potential conflict of interest on item 6.1 Leak Adjustment Appeal 230 Mt. Hermon Road Unit E and recused himself.

Finance & Personnel Committee 07/28/21

There was nothing further to add to the written report.

Interagency Committee (none)

Santa Margarita Groundwater Agency (SMGWA) Board 07/22/21

Director Stiles reported that the draft Groundwater Sustainability Plan was approved for release for a 60-day public comment period.

4. **Consent** (none)

5. **Public Hearings** (none)

6. **Business**

6.1. Leak Adjustment Appeal 230 Mt. Hermon Unit E

Director Reber recused himself on this item and was placed in the waiting room at 6:24 p.m.

General Manager Harmon provided the staff report.

Yong Choi made oral communication on this item.

MOTION carried to deny an exception to the five-year waiting period and do not approve the leak adjustment credit for 230 Mt. Hermon Road #E by unanimous roll call vote.

Director Reber rejoined the meeting at 6:38 p.m.

6.2. Rate Study and Proposed Rate Increases

Sanjay Gaur and Charles Diamond of Raftelis Financial presented the Water and

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Recycled Water Study and responded to questions from the Board. [Click here](#) to view the presentation.

MOTION carried to receive the Water and Recycled Water Rate Study; authorize the General Manager to issue the notice initiating the 45-day public review period and set the public hearing on the recommended water rates for 10/14/21 by unanimous roll call vote.

6.3. Compensation Adjustment for Exempt Classifications.

General Manager Harmon provided the staff report.

MOTION carried to approve the compensation adjustment for the Finance and Customer Service Manager, Operations Manager, and Assistant to General Manager classifications by unanimous roll call vote.

6.4. Association of California Water Agencies (ACWA) Region 5 Board Elections for 2022-2023 Term.

General Manager Harmon provided the staff report.

MOTION carried to direct the General Manager to cast a vote for the recommended slate of candidate and to submit the ballot for the ACWA Region 5 Board Elections for the 2022-2023 term by unanimous roll call vote.

7. Staff Reports

7.1. Legal

Legal Counsel Bosso reported on Assembly Bill 339 and 361 regarding public meetings.

7.2. Administrative

The General Manager's reported is appended.

7.3. Finance

Financial Reports 07/01/20 through 06/30/21

The financial reports were accepted without comment.

7.4. Operations

Production, Demand and Rainfall Data (none)

Leak Adjustment Program Report 07/01/20 through 06/30/21

Development Project 07/01/21

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Operations Manager McNair reported on the Orchard Run Water Treatment Plant project, the Emergency Response Plan due 12/31/21 and preparing for the Art, Wine and Beer festival.

8. Directors Reports

Director Stiles and Director Perri reported on 08/11/21 LAFCO-CSDA webinar.

Associate Director Finch reported on working at the Recycled Water Fill Station.

President Ekwall reported that the Recycled Water Fill Station has been very busy.

9. Written Correspondence

ACWA Region 5 Alerts Affecting Water District General Managers and Board Presidents

10. Community Relations

Water Agencies are Prepared for Drought Challenges

SMGWA to host Sustainability Event on 07/31/21

July Newsletter

11. Closed Session

President Ekwall announced that a Public Employee Performance Evaluation will be conducted for the General Manager and recessed the meeting at 8:23p.m.

At 8:29 p.m. closed session was convened and at 9:20 p.m. it was adjourned.

12. Report on Closed Session and Additional Items

At 9:22 p.m. the meeting reconvened and Legal Counsel reported that the performance of the General Manager was discussed, and no action was taken.

13. Future Items

City-District Recycled Water Allocation

14. Meetings and Event Calendar

Board Meetings

09/09/21 cancelled

10/14/21

Committee Meetings

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09/20/21 Engineering & Water Resources

09/20/21 Executive & Public Affairs

09/22/21 Finance & Personnel

Santa Margarita Groundwater Agency

Board Meetings

08/26/21

09/23/21

Association of California Water Agencies (ACWA) Events

2021 Fall Conference and Exhibition 11/30/21 – 12/03/21 Pasadena

15. Adjourn


16. The meeting adjourned at 9:25 p.m.

Approved:

DocuSigned by:

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Bill Ekwall, Board President

Attest:

DocuSigned by:

1C230EFF40B44D1...
Piret Harmon, Board Secretary

STAFF REPORT – General Items

Scotts Valley Water District

Date: 08/12/21

To: Board of Directors

From: General Manager

1. City of Scotts Valley has hired a new Public Works Director. Chris Lamm is a civil engineer who lives in town and most recently served as Assistant Public Works Director in Menlo Park.
2. City of Santa Cruz Council announced this week of their intention to appoint Rosemary Menard as the Interim City Manager due to the ongoing recruitment and Martin Bernal's pending retirement on August 31.
3. We are making some organizational changes: replacing Utility Service Representative, Office and Water Use Efficiency Coordinator positions with alternatively staffed Utility Service Technician / Utility Service Specialist. We are also considering a remote work assignment for the current Accounting Specialist. No changes to the headcount or the salary budget.
4. The winner of July Water Saving Challenge prize drawing is Nancy Lahtinen who achieved 42% reduction in water use compared to 2020 July. She replaced the shower head and switched from taking baths to showers. Also installed drip irrigation in the backyard and hand waters some of the plants with the garden nozzle she got from District.
5. ACWA members interested in serving on an ACWA committee for the 2022-2023 term may apply now through September 30. ACWA has 13 active committees. Information about each committee and the appointment process is available on [Composition-and-Consideration-Form.pdf \(acwa.com\)](#)
6. Water Replenishment District Albert Robles Center for Water Recycling and Environmental Learning not only produces nearly 15 MGD of advanced treated recycled water for recharging the Central Groundwater Basin in Southern California but also home to over 40 water related exhibits. Visitors to WRD's state-of-the-art Learning Center can learn about water resources, water usage in homes, groundwater, the water cycle and much more. All exhibits are digital and virtual workshops are offered. <https://www.wrd.org/ARC>.
7. On August 10, the U.S. Senate passed \$1.2 Trillion Infrastructure Investment & Jobs Act (H.R. 3684) that includes almost \$55 billion in water infrastructure funding. Below is a list of the key water provisions in the infrastructure package.

- Clean Water State Revolving Fund (SRF) and Drinking Water SRF each receive \$11.7 billion over five years (\$2.4B/FY22; \$2.7B; \$3.0B; \$3.2B; \$3.2B).
- \$1 billion will be provided in grants through the Clean Water SRF to address emerging contaminants.
- \$4 billion will be provided in grants through the Drinking Water SRF to address PFAS in drinking water.
- \$15 billion in loans and grants will be provided through the Drinking Water SRF for lead service line replacement.
- The Water Infrastructure Finance and Innovation Act (WIFIA) will receive \$250 million over the next five years and facilities applying will be required to have only one ratings agency opinion letter (instead of two).
- The U.S. Environmental Protection Agency Sewer Overflow & Stormwater Reuse Municipal Grant Program will receive \$1.4 billion over the next five years. Not less than 25% of the fund will go to rural and financially disadvantaged communities.
- The Alternative Source Water Pilot Program will get \$125 million over the next five years.
- The Rural and Low-Income Water Assistance Pilot Program will establish a new U.S. Environmental Protection Agency program to provide 40 grants per year to utilities to assist low-income ratepayers.
- The Wastewater Energy Efficiency Grant Pilot Program will get \$100 million over the next five years.
- The Clean Water Infrastructure Resiliency and Sustainability Grant Program will get \$125 million over the next five years.
- The Small Publicly Owned Treatment Works Efficiency Grant Program will be established with funding levels to be determined.
- The connection of homes and communities to Publicly Owned Treatment Works Grant Program will get \$200 million over the next five years.
- The Water Infrastructure and Workforce Investment Grant Program will get \$25 million over the next five years.
- The Stormwater Infrastructure Technology Program will get \$25 million to create five Stormwater Centers of Excellence and \$50 million for stormwater infrastructure planning/development and implementation grants.
- Buy America requirements will expand in SRF and WIFIA to include “manufactured goods,” in addition to the existing iron and steel Buy America requirements.