

# MINUTES

Joint Meeting of the  
**Scotts Valley City Council,**  
Redevelopment Agency Board of Directors, and  
**Scotts Valley Water District Board of Directors**

**Date: January 5, 2005**

**POSTING:**

The agenda was posted on 12-17-04  
at City Hall by the City Clerk.

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**CALL TO ORDER**                      6:06 p.m.

**PLEDGE OF ALLEGIANCE** and **MOMENT OF SILENCE**

**ROLL CALL**

Present:

**City of Scotts Valley/  
RDA Board of Directors**

Mayor Paul Marigonda  
Vice Mayor Stephany Aguilar  
Council member Cliff Barrett  
Council member Dene Bustichi  
Council member Randy Johnson

City Manager Chuck Comstock  
City Attorney Kirsten Powell  
Public Wks Director Ken Anderson  
Community Dev Director Laura Kuhn  
Finance Director Stephen Ando  
Police Captain Harry Bidleman  
City Clerk Tracy Ferrara

**Scotts Valley Water District  
Board of Directors**

President Roger Kern  
Board Member Margo Hober  
Board Member David Hodgins  
Board Member Bill Kassis

District Manager Jill Duerig

Absent:                                      Board Member Paul Watkins

**COMMITTEE REPORTS**              None.

**PUBLIC COMMENT**

CM Aguilar reported that the League of California Cities Monterey Bay Division will be holding a dinner meeting on Monday, January 24, 2005, 6:30 pm, at the Scotts Valley Community Center. The guest speaker will be discussing the issue of Proposition 1A and how it will affect special districts, cities, and counties in the future. The cost is \$27 per person and reservations can be made to Tracy Ferrara at 440-5600.

CM Johnson spoke regarding the tsunami and stated that a number of citizens had approached him regarding sending financial assistance. He stated that the City cannot assist financially at this time; however, Council Members are willing to pay to place an advertisement in the paper in order to raise money from Scotts Valley citizens and businesses to assist financially.

The City will collect money and distribute it to the agencies that people select.

## **ALTERATIONS TO REGULAR AGENDA**

**M/S: Aguilar/Barrett**  
**To approve the Regular Agenda.**  
**Carried 5/0**

## **REGULAR AGENDA/JOINT MEETING WITH SCOTTS VALLEY WATER DISTRICT**

### **1. Discussion: Recycled Water Program**

GM Duerig presented the written staff report and responded to questions from Council and the Board. She stated that the recycled water program has had a very exciting year, and they have been very successful in getting some of the larger landscape users connected including: Siltanen Park, Santa Cruz Medical Clinic, Acorn Court Apartments, Scotts Valley Water District Office, Scotts Valley High School, landscaping at the recycled water booster station, one of the Seagate facilities at 4627 SV Drive, and Enterprise Technology Center, Phase I. She stated that have not yet served recycled water to the scenic ponds at Enterprise Technology Center; however, they are working through the approval process. GM Duerig stated that she anticipates getting Glenwood Fire Station on line soon, MacDorsa Park, and the Ponderosa Homes development (formerly Glenwood). She stated that they are still having some difficulty with State Department of Health Safety regarding dual plumbed facilities, i.e. single family residences with landscaping. Due the extensive extra requirements, the approval process is long; however, the Water District is working diligently to get approval. On the downside, the recycled water program has been an extremely costly program, because costs are not recovered, therefore, it is subsidized by the potable water customers in order to guarantee potable water in the future. She stated that the Water District is working on serving recycled water to the Spring Lakes Mobile Home Park, which is out of the District, but they are currently going through negotiations.

Mayor Marigonda asked about recycled water in the north end of town around the Scotts Valley Hilton and Monte Fiore.

GM Duerig stated that due to budgetary issues, capital expenditures are limited at this time; however, there is a plan for the north end of town should capital funds become available. She stated that they are currently working on grants to get funding to assist them with the necessary infrastructure improvements.

President Kern stated that at the end of 2003 the Water District was delivering less than 20 acre feet of recycled water, and right now we are serving 107 acre feet. He stated that if Spring Lakes comes on line that number would go up to 330 acre feet per year. One acre foot is approximately one-third of a million gallons of water. He stated that he feels

the program has been mutually beneficial to the City and the District.

CM Bustichi asked if Valley Gardens was a potential customer, even though they are not within the Water District boundaries.

GM Duerig stated that the Water District is currently in discussions with Valley Gardens.

CM Bustichi asked if it was possible to offer a reduced rate to private users.

GM Duerig stated that the recycled water program is already being subsidized by potable water customers, and that financially, this was not possible.

CM Barrett asked how much recycled water will be used per day, out of the 500,000 gallons per day that are available, once the current projects are all on line. He asked if it would be possible to sell the recycled water that we are not using to other agencies.

GM Duerig stated that there are enough users to use the recycled water; however, connecting them all will take some time. She stated that there is not much incentive to sell our recycled water to other agencies due to the high costs of retrofitting for outside agencies.

CM Aguilar asked what the financial burden was from the State on the Water District.

GM Duerig stated that the State had proposed taking 40% of their of property tax revenues which would have been \$200,000 out of the \$500,000 they receive. She stated that when the numbers came from the State, it was 69%, which made the numbers \$350,000 out of \$500,000.

CM Aguilar stated that the issue of having adequate water for the housing that the State is requiring that cities and counties have, is one of the biggest challenges that cities and counties face.

GM Duerig stated that the Water District is currently working on a groundwater model update which is well underway. She stated that it is a one year project and they are about halfway into it. She stated that it has been funded with a State grant, and it probably wouldn't have happened this year without the grant. She stated that they are updating the hydro-geologic information and the software itself, and they are doing this as a joint technical venture with oversight provided by other agencies that are interested in the Santa Margarita Groundwater Basin. She stated that there is a Technical Advisory Committee overseeing the work including County staff and the General Manager from the San Lorenzo Valley Water District. She stated that the model will give them two crucial pieces of information to help the Water District in planning during next few years. The first is the sustainable/safe yield of the Groundwater Basin itself, i.e. how much can we

pump out without drawing the aquifer down. She stated that gives them a number to start with, because if they know how much can be pumped out total, then they know how much recycled water is needed total, which will let them know if there is a shortfall for the community. The second is that during this calendar year they intend to update the Water District Urban Water Management Planning Document, which they are required to update every five years. This will assist them in planning for adequate resources. They are also working very closely with the County on an integrated regional planning document, which will assist the Water District in applying for State grants.

CM Bustichi questioned plans for replacing dry barrel fire hydrants in the City.

GM Duerig stated that they are replacing approximately ten per year through their capital improvement funds, and will continue with this program until it is complete.

## **2. Discussion: Water Conservation Program**

GM Duerig presented the written staff report and responded to questions from Council and the Board. She stated that they have had a very active water conservation program for years. She stated that there is a 5-tier rate structure to encourage conservation through penalties. GM Duerig also stated that the Water District has a plumbing fixture rebate program for customers who retrofit with lower flow fixtures. She stated that they encourage people to fix leaks by offering a rebate program, whereby, if the customer can prove they had a leak and fixed it, the Water District will look at the previous two bills (four months) and give the customer a partial credit on their next bill. She stated that during the next year they will be moving into an exciting new category where they will be doing more customer outreach. Customer service staff is talking with other agencies (Santa Cruz and Soquel Creek Water) in the hope of providing educational outreach at the schools with handouts and presentations. GM Duerig stated that in April of 2004 they held a joint workshop with the San Lorenzo Valley Water District to educate citizens on the use of drought resistant plants, drip irrigations systems, etc. and they are looking into holding another one this April, prior to the month of May, which is water awareness month.

## **3. Discussion Housing Element Revisions**

CDD Kuhn presented the written staff report and responded to questions from Council and the Board. She stated that one of the major projects that the City has been working on, in conjunction with AMBAG, is a division of the housing units required by the State throughout Monterey and Santa Cruz counties. The original number of required units was 55,000, and AMBAG was able to negotiate this number down to 23,000 units. CDD Kuhn stated that 69% of the housing units were allocated to Santa Cruz County, and the total number of housing units allocated to Scotts Valley is 804. The planning period for the Housing Element we are currently working on is January 1, 2000 through the end of 2007. During this time, we must provide the zoning for this process through our Housing Element and General Plan. She stated

that we currently have 200 housing units constructed that will count toward the 804 units, and based on our existing land uses and what our General Plan currently calls for, as a City we feel that we currently have just under 500 units planned for; however, this still leaves a fairly large gap. She stated that the City has been working with our Housing Element consultant and has identified a program to hopefully allow for the City to get our Housing Element certified. CDD Kuhn stated that if that program and our Housing Element are able to be certified, the City would be looking at re-zoning between 12-20 acres of land, mostly along the west side of Scotts Valley Drive, to encourage more mixed use development, which would incorporate commercial/retail development with residential on the second story or to the rear. CDD Kuhn stated that the income level and number of housing units allocated to Scotts Valley are as follows:

<b>City of Scotts Valley Fair Share Housing Allocation</b>		
<b>Income</b>	<b>Units</b>	<b>Percent</b>
Very Low (below 50% of area median income)	232	29%
Low (50-80% of area median income)	122	15%
Moderate (80-120% of median income)	161	20%
Above Moderate (above 120% of median income)	289	36%
<b>TOTAL</b>	<b>804</b>	<b>100%</b>

CDD Kuhn stated that the City is currently working with the State on our Housing Element, and we are anticipating comments from the State by February. Once comments are received, the City will work on a more formal process to include additional public hearings through the Planning Commission and City Council to actually adopt the Housing Element. She stated that from a legal perspective, it is very important to have the City's Housing Element certified, because without certification, it could open the City up to law suits that could say our Housing Element is not in compliance with State law, which could shut down issuance of building permits and reliance on our General Plan. She also stated that not having a certified Housing Element makes the City ineligible for certain grants.

BM Hober commented regarding the sole source aquifer and the sustainability of that aquifer. He stated that the Water District is currently evaluating the aquifer, and at this time, the Water District cannot guarantee water for that number of housing units.

BM Kassis commented regarding the lack of water available for this many housing units. He stated that he feels strongly that water should be available for any housing that is planned for.

CDD Kuhn stated that the City is required to plan for the housing; however,

if there is no water available, we are not required to construct the homes.

The joint City Council/Redevelopment Agency/Water District meeting adjourned at 7:12 p.m. to the regular agenda for the joint City Council/Redevelopment Agency meeting.

**REGULAR AGENDA FOR THE JOINT CITY COUNCIL/REDEVELOPMENT AGENCY MEETING**

**4. Appointments to interjurisdictional, standing local, and project specific committees**

Mayor Marigonda made the following appointments to interjurisdictional, standing local, and project specific committees.

**Interjurisdictional Committees:**

Transportation Commission . . . . . Johnson/Barrett  
Criminal Justice Council . . . . . Marigonda/Bustichi  
LAFCO . . . . . Marigonda  
Santa Cruz Metropolitan Transit District Board . . . . . Bustichi  
County Integrated Waste Mgmt Local Task Force . . . . . Barrett/Hamby  
AMBAG . . . . . Aguilar/Barrett  
Joint City/School District . . . . . Barrett/Marigonda  
City Selection . . . . . Mayor  
Santa Margarita Groundwater Basin Advisory . . . . . Barrett/Aguilar  
Library Financing Authority/Joint Powers Authority . . . . . Johnson  
Cultural Council . . . . . Barrett  
League of California Cities Delegate Program . . . . . Aguilar  
Seniors Advisory Council . . . . . Ferd Bergholz

**Standing Local Committees:**

Economic Development . . . . . Johnson/Bustichi  
Budget Committee . . . . . Barrett/Marigonda  
Traffic Safety . . . . . Barrett/Bustichi  
Affordable housing . . . . . Aguilar/Bustichi  
Water . . . . . Barrett/Aguilar

**Project Specific Committees:**

Skypark . . . . . Johnson/Bustichi  
Gateway South Commercial . . . . . Johnson/Barrett

**5. Future Council/RDA agenda items**

None.

**ADJOURNMENT**

The meeting adjourned at 7:35 p.m.

Approved: \_\_\_\_\_

Paul Marigonda  
Mayor / Chair

Attest: \_\_\_\_\_  
Tracy A. Ferrara  
City Clerk / Secretary