



MINUTES
Board of Water Commissioners
Public Works Conference Room
630 Garden Street
December 14, 2009 at 3:00 p.m.

- COMMISSIONERS PRESENT: James Smith, Landon Neustadt, Russell Ruiz, Bill Thomas
- COMMISSIONERS ABSENT: Barry Keller
- STAFF PRESENT: Rebecca Bjork, Water Resources Manager; Christopher Toth, Wastewater System Manager; Bill Ferguson, Water Resources Supervisor; Anne Van Belkom, Administrative Assistant; Allison Jordan, Water Conservation Coordinator; Bob Samario, Interim Finance Director; and Jim Dewey, Facilities Manager.
- PUBLIC: Tony Fisher, Cheri Rae
1. **CALL TO ORDER:** The meeting was called to order at 3 p.m.
 2. **CHANGES TO THE AGENDA:** Since Mr. Peebles was unable to attend, Agenda item #8 was deferred until the next meeting.
 3. **COMMENTS BY THE PUBLIC:** None.
 4. **MEETING MINUTES, DECEMBER 11, 2009:** MOTION (Smith/Neustadt 4-0-0): to approve the minutes as submitted.
 5. **WASTEWATER SYSTEM MANAGER INTRODUCTION:** Ms. Bjork introduced Mr. Christopher Toth, who was hired as the City's new Wastewater System Manager effective Monday, December 7, 2009. He has had extensive experience from the City of San Diego in Wastewater Treatment and Wastewater Collection management.
 6. **WATER LEGISLATION UPDATE:** Ms. Jordan and Mr. Ferguson updated the Water Commission on the 2009 State Legislation Comprehensive Water Package that includes four policy bills and an \$11.14 billion bond. Ms. Jordan presented information on SB7 and the 20 x 2020 legislation, and will return to the Water Commission with further updates once the Department of Water Resources makes final recommendations on the policies to implement these requirements.
 7. **GENERAL FUND BUDGET UPDATE:** Mr. Samario described the various tax revenues that contribute to the General Fund. He also shared his economic perspective and discussed upcoming financial challenges. Mr. Samario responded to Mr. Fisher's questions regarding the equitable distribution of interest from worker's compensation funds that had originally resided in the enterprise funds and had been transferred to the General Fund.
 8. **METRON METER REPORT:** This agenda item was deferred until the next meeting.
 9. **FUEL CELL STATUS REPORT:** Mr. Dewey discussed the status of the two 250kW fuel cells that were part of the Power Purchase Agreement with Alliance Power (Alliance) in 2004. This pilot program has provided less power than the anticipated 50% of El Estero's electrical demand due to problems with a sulfur component in the gas supply. Gas pre-treatment to remove the sulfur is being modified by Alliance. However, the City is investigating other digester gas generation technologies since additional property taxes charged to Alliance may make the continuation of this agreement financially infeasible for them.
 10. **CAPITAL PLANS AND FINANCIAL PLANS REVIEW:** Ms. Bjork summarized the capital and financial plans for the Water and Wastewater Funds. Rate increases in both funds are being revisited, and handouts were provided showing the effects of two possible rate increase scenarios for each fund.
 11. **ANNUAL WATER REPORT:** Mr. Ferguson reviewed the Draft Water Supply Management Report that is scheduled to be presented at Council on January 12, 2010. Commissioner Ruiz stated that he would vote against recommending approval of the report because he believes the City's current Long Term Water Supply policy is out of date.

(Thomas/Smith 3-1-0, with Ruiz opposing): to recommend approval of the Water Supply Report with Commissioners' comments incorporated.

12. **MHA BUILDING PURCHASE STATUS AND GROUNDWATER INTRUSION ISSUES:** Ms. Bjork updated the Water Commission regarding the status of the condominium purchase. She reported that the City has finished escrow and purchased Condo #3 in the Mental Health Association building. Ms. Bjork informed the Commission that the City has received a permanent indemnification for any cost associated with the fix or failure of the repaired groundwater problem. She also reported that the temporary discharge permit for the groundwater discharge has expired and discharge to the sewer has been discontinued. Mr. Fisher presented photos dated December 13, 2009, of groundwater seeping into the basement level of the MHA building. Both Mr. Fisher and Ms. Rae voiced their concerns about this continuing situation.
13. **CACHUMA HEARING AND DRAFT EIR:** The Water Commission was given an update on the Cachuma hearing and the status of the Draft EIR. The State is requiring the completion of the EIR, but the current draft EIR has been around for several years and City staff believes it needs to be updated and re-circulated.
14. **CATER AND OGWTP PROJECT STATUS:** The State wants to obligate monies by June 2010, which allows for a very short time period to complete all of the requirements. The initial presentation of the Cater Ozone project to ABR was met with concerns about set-back encroachments and size, scale, and bulk of the proposed buildings. Staff is working with the engineers and architects to try and develop a project that preserves gravity flow of water through the plant while also aesthetically blending in with the Cater site.
15. **WATER RESOURCES MANAGER'S REPORT:** Ms. Bjork distributed and reviewed the Monthly Water Resources report on water production, rainfall, and wastewater influent. There was approximately 5,000 AF of carryover from the last water year. Ms. Bjork discussed the status of the COMB bonds and informed the Water Commission that the Water Board had taken action to reject all bids with this item being deferred until 12/21/09. The Water Commission was informed about a recent 750-gallon sewage spill caused by roots being dislodged from a private lateral that were not captured in the downstream manhole by the plumber. Since this spill also caused a beach closure that was not communicated to our staff, plans have been made to work more closely with the Health Department to coordinate better communication and adequate posting of any future beach closings of this nature. This item will be agendaized for a future meeting as part of the presentation about upcoming changes being planned for the Sewer Lateral Inspection Program.
16. **DATE OF NEXT SCHEDULED MEETING:** It was confirmed that the next meeting is scheduled for Monday, January 11, 2010, at 3:00 p.m.

The meeting was adjourned at 5:19 p.m.

Approved: January 11, 2010

AVB