



Board of Directors
March 20, 2014
Wells Fargo Insurance Services
5615 Scotts Valley Dr., Scotts Valley

Directors Present

Mike Machado, Community Member	Peggy Dolgenos, Cruzio Internet
Jarl Saal, First Alarm & Patrol	Ted Burke, Shadowbrook
Tom Hart, PAMF	Donna Blitzer, UCSC
Karl Philipovitch, Graniterock	Dave Regan, Community Member
Tonee Picard, Bay Federal Credit Union	Bob Murphy, WFIS
Ryan Pacheco, Wells Fargo Commercial	Rick Hofstetter, Lighthouse Bank
David Heald, Santa Cruz County Bank	Mickey Holzman, Pajaro Dunes Co.
Cindy Weigelt, WCH	Marvin LaBrie, PMG
Sid Slatter, Slatter Construction	Joe Foster, SCCBC

Meeting Recap

- 1. Water Discussion:** Each Board member discussed the impact water has on their business and industry sector. Comments took into account the current state of our local water crisis, and what the effects would be if circumstances grow even more dire.
- 2. Water Position Statement:** Based upon the comments made, the Board instructed the Executive Committee to draft a water policy position paper. The Board requested that once drafted, the position paper be circulated back to the Board, via email, for review and approval.
- 3. Discuss Transportation in April:** The Board instructed staff to move the date of the April Board meeting in order to better accommodate a conversation pertaining to transportation infrastructure. Staff agreed to follow up with the Board on a new date/time. Our already scheduled member breakfast with State Senator Bill Monning will remain on April 17th.
- 4. Sustainable Santa Cruz County Plan:** The Government Affairs & Economic Development Committee reported that they are in the process of drafting a list of recommendations related to the SCCCP that they would like to submit to the County Board of Supervisors and Planning Department. The Board asked for the Committee to prepare the list of recommendations and report back to the Board in April.
- 5. Committee Reports:** The Board listened to, and accepted reports from Finance, Government Affairs/Economic Development, Membership/Programs and Infrastructure/Transportation.

Meeting Minutes

1. Welcome/Call to Order

1. Directors introduced themselves and a motion was made to approve the January 2014 meeting minutes. The motion was seconded and passed.

2. Focus Areas for 2014

1. **Chair Dolgenos provided an overview of the three (3) areas of focus that were selected by the SCCBC Executive Committee for 2014.** The Executive Committee will draft statements on each of these areas. These statements will be sent out to the Board for approval, and we will then distribute to the general membership for reference.
 1. After providing an overview of the three (3) focus areas, it was determined by the Board that, due to time constraints, we should only focus on the water policy topic for purposes of this meeting. We will discuss the other two (2) focus areas at our next two (2) Board meetings.
 2. Water Policy - if there were severe cut backs it would be very detrimental for business, the economy and the community as a whole. Consensus around the table was that we need more water; an increased supply. Conservation should still be practiced, but it is no longer enough for us to meet our water needs. As for a supplemental supply, the Board stated that they are open to any number/combination of options as long as it provides the supply stability we need to maintain our quality of life in Santa Cruz County.
 1. Key Points for the Water Issue
 1. We must identify a new supply
 2. Continue to conserve
 3. We need increased education from the business community to public officials and the general public.
 4. Information that is disseminated must clearly communicate to the public how mandatory water supply reductions will affect them.
 3. Board member testimonials broken down by industry sector*

**More detailed notes are on-file for future reference related to advocacy/outreach*

 1. Healthcare/Medical: A safe, stable water supply is critically important to all operations. In recent years, this industry sector has been doing a much better job at conservation. It was stated that more can be done to reduce usage, but there is only so far this sector can go before it affects the delivery of essential services.
 1. Maintaining the current levels of our infrastructure is of the utmost importance in order to continue providing the level of services this community offers. For a community of this size, we enjoy services that are typically found in communities much larger than ours. It is important that we do what it takes to make sure we keep these services here in Santa Cruz County.
 2. Higher Education: - Right now, the higher education industry sector is the largest water consumer in the City of Santa Cruz's water district...sitting at roughly 5% of total customer usage. This industry has taken great steps toward increasing/



emphasizing conversation in recent years. It would be difficult for this sector to reduce its overall usage any more than it already has done.

3. **Restaurants:** Conservation is already at its highest levels. Any further reduction in water usage could lead to a severe impacts for this industry sector. Service hours will have to be reduced, employees will be laid off, businesses could go under. Access to clean, reliable water is absolutely critical. The restaurant industry already has a huge incentive to conserve; the industry sector pays two to 2.5 times the normal sewer rate of other water customers.
4. **Leisure/Vacation Rentals:** It is challenge for this sector due to the fact that most patrons are visiting from elsewhere and do not understand the circumstances of our local water crisis. Property management does the best it can to clearly communicate the need for using as little water as possible. It is difficult to drive this home.
5. **Construction:** A prolonged water shortage is going to drive up costs, and those costs are going to be passed on to the consumer. Construction uses a great deal of water. A moratorium will have detrimental affects. We need to seriously explore using recycled water. A better “purple pipe” infrastructure needs to be constructed.
6. **Banking:** Though this industry sector does not directly use as much water as other sectors, this industry is greatly affected due to the delinquencies on home loans. Banks are not really a water user, but it is really important because of who their clients are in this community. Also, a water shortage, and possible moratorium in some areas of the County, might deter people from purchasing homes here, thus they will not be needing loans. When lending to Ag, some businesses are now putting water in as a line item
7. **Security:** The importance of protecting and safeguarding water systems
8. **Agriculture:** Must find ways to become more efficient; drip irrigation would be more efficient.
9. **Insurance:** This sector would face the reality of losing business due to clients having to cut back or close their own businesses.
10. **Other comments:**
 1. We need statistics on the exact usage of businesses.
 2. We should talk to the City of Santa Cruz and City of Scotts Valley about the potential agreement to share water.
 3. Whatever happened to Bill Kocher’s proposal to tie all county water districts? Currently, there are seven (7) districts, 200 small water management systems, 9,000 private wells.
11. **Next Step**
 1. The Executive Committee will take all of this feedback and will draft a water position statement for us to use in all upcoming advocacy/outreach efforts. This statement will be a “fluid” document and will be subject to change as

deemed necessary by the Board. Once drafted, the document will be circulated to the Board for review and approval.

3. **Financial Report**

1. Mr. Machado provided a handout detailing financial activity up to this point in the calendar year. The handout was distributed to the Board members, and was also placed in the shared Dropbox file for reference. **Report was accepted by the Board.**

4. **Government Affairs & Economic Development Report**

1. Mr. Hart provided an overview of the Committee report document that was distributed to the Board prior to the meeting. **Report was accepted by the Board.**
 1. It was mentioned that the Committee is currently working on a list of recommendations to submit to the County pertaining to the Sustainable Santa Cruz County Plan process/initiative. The Committee plans to have a draft ready for the Board to review next month.

5. **Membership & Programs**

1. Mr. Burke provided an overview of the Committee report document that was distributed to the Board prior to the meeting. **Report was accepted by the Board.**
 1. It was mentioned that our VoterVoice initiative has been officially launched. The Board was told that the Committee plans to engage our membership at least once per month through this medium.
 2. Mentioned that our next member breakfast event will be on Thursday, April 17th with State Senator Bill Monning.

6. **Infrastructure & Transportation**

1. Mr. Philipovitch provided an overview of the Committee report document that was distributed to the Board prior to the meeting. **Report was accepted by the Board.**
 1. It was mentioned that Bruce McPherson and his staff would be making a presentation about the Monterey Bay Community Power Project to the Committee in April.
 2. The Santa Cruz 115kV Reinforcement Project (led by PG&E) was mentioned as a topic the Committee is monitoring. PG&E has asked for our support on this, though some Board members asked for additional information before moving forward with any show of support. This topic will be revisited in the near future.

7. **Adjourn**

1. Due to time constraints, the meeting as adjourned without the Executive Director report given.
2. The Executive Committee will determine the date/time of the next Board meeting and will communicate to the members.

NEXT MEETING

TBD