



MINUTES OF ENVIRONMENTAL COMMITTEE MEETING

Responsible for matters of stewardship of the District's property including: Urban Water Management Plans; Water Conservation Programs; Classis Watershed Education Grants; Watershed Management; Resource Management and other environmental related matter.

Thursday, April 11, 2019 at 9:30 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, California.

MINUTES:

1. Convene Meeting 9:30 a.m.
Roll Call: K. O'Connor, B. Fultz, E. Fresco were present. J. Supp was on teleconference but not participating.
Staff: R. Rogers, J. Michelsen, H. Hossack

B. Fultz explained the teleconference situation with J. Supp.
2. Oral Communications:

C. Baughman noted that invasive species management on watershed property appears not to be funded in 2019/20. He would like to add how to manage the property in light of glyphosate banning to the next Environmental Comm agenda.
3. Old Business: None
4. New Business:
 - A. UPPER ZAYANTE STREAM WOOD ENHANCEMENT PROJECT COOPERATIVE AGREEMENT

B. Fultz introduced this item.

J. Michelsen explained that in 2014 the Board elected to support stream enhancement on the Upper Zayante Stream. Upper Zayante has been identified as the most important stream for Coho recovery in the San Lorenzo Watershed. Jen introduced Resource Conservation District of Santa Cruz, Executive Director, Lisa Lurie and Technical Program Director, Kelly Camara.

L. Lurie thanked the District for their partnership and leadership in watershed management. Salmonid recovery and habitat is important to water quality protection. They have been working on acquiring funds through grants since 2014. The project also includes City of SC property. A contractor has been lined up to perform the work. She is excited to say that the contractor bid came in under budget. The RDC is anxious to move on the final stage of the project.

J. Michelsen added that over the years this project has come to the Board several times. In 2014 the concept was introduced to the Board. In 2015 the District submitted letters in support of the project. In 2017 the District signed an access agreement. Now this is the final cooperative agreement.

K. Camara explained the permitting procedure. Local, State and Federal agencies, with the exception of Federal Fish and Wildlife, have issued 10 year permits to cover the restoration activities.

J. Michelsen explained the reason for this process. The Board had previously authorized the District Manager to approve the cooperative agreement when it was ready. She is bringing this to the Environmental Committee to go over the project and to

reauthorize the DM to execute the cooperative agreement.

E. Fresco said it sounds like a great project. She asked if it was all grant funded. (Yes.)

K. O'Connor agreed that it is exciting.

J. Michelsen noted that the salvaged trees from PG&E fire protection project will be used on this project so it won't be necessary to buy any wood.

B. Fultz questioned the approval of access agreement.

J. Michelsen said the access agreement is not an easement. It simply allows the contractor to go on to the property for installation.

K. Camara said that RDC is asking for access for the installation and the monitoring period.

B. Fultz said he is not clear about the terms and conditions of the agreement.

J. Michelsen said that the Board agreed to cooperate and to authorize the DM to negotiate the terms.

K. Camara said that the Board signed the same agreement in 2013 for the Fall Creek project, authorizing the DM to sign.

K. O'Connor asked if this is a standard agreement. (Yes.)

B. Fultz said he is concerned around financials. Who's responsible for maintenance?

K. Camara said they are not expecting wood to shift. Monitoring will be coordinated with the County.

B. Fultz questioned if the logs are fixed onto the ground.

K. Camara said there are 4 different types of structures that have varying degrees of how they are connected; there's cabling, there's lodged between other logs, there's boulders. They will work with the County to manipulate the structure, if necessary.

B. Fultz questioned who will pay for that or the replacement of the logs.

K. Camara said logs won't be replaced. The logs are being put in the stream to mimic nature.

B. Fultz asked if a log was to get loose and cause damage, who is responsible for the damage?

K. Camara said that part of the agreement is agreeing to the longer term maintenance obligations of the project. That transfers to the landowner.

B. Fultz said that he noticed there was an indemnification clause. He didn't understand what that meant. He wants the project to go forward but he doesn't want SLVWD to be responsible for anything in the future.

L. Lurie in this case the language has been in prior agreements the District has signed off on.

K. Camara said that the cooperator agreement was written in 2002. It was written more for the landowner coming to the RCD asking for assistance. We can look toward mutual indemnification.

B. Fultz said to be very clear, he is not interested in mutual indemnification. He wants to ensure that if anything arises out of this the SLVWD will not be held responsible in any way.

K. O'Connor said that he sees the role of the District as being responsible for the watershed. The District does have to take responsibility for restoring the watershed.

B. Fultz questioned what is the District using that property for.

R. Rogers replied that it is just watershed. We don't take any water off of it. At one time we logged the property.

J. Michelsen said that we don't have surface diversion on Zayante. We do have a surface diversion on Lompico which feeds Zayante. A significant amount of our groundwater production comes from both sides of Zayante Creek. So the District is

benefitting from the service of that stream by using groundwater.

R. Rogers said that we are not using Lompico at this time and likely will not use it. In 1982 or 83 the District received rainfall of over 100". There were log jams on District property that resulted in damage to a large amount of homes and many lawsuits. These creeks were a lot different, very steep. The District lost many of the lawsuits for not keeping the watershed more sanitary. That's all changed now we're putting woody debris back into the streams. The Zayante Stream is very flat; you don't have fast moving water. The houses are very few. The District has always had a working relationship with the fisheries in the San Lorenzo Valley doing projects that enhance fisheries at the same time we're taking water out of the stream. Our cooperation has earned us recognition.

B. Fultz questioned if he recalls who paid for the projects.

R. Rogers believes the District paid for them. The County might have helped. Back in those days the cost was minimal. In those days it was a one-page Fish & Game permit.

R. Rogers said he would like District Counsel to take a look at this agreement.

B. Fultz would like this to go back to board. He is not prepared to agree to this as is.

J. Michelsen questioned if he would agree to letting the DM negotiate the agreement.

B. Fultz said he thinks this is a significant policy decision and policy goes to the Board. He wants the record to reflect that both Elaine and Kevin want to proceed but Bob wants a different kind of review.

R. Rogers is agreeable to having legal review the agreement and taking it to the Board.

K. Camara said that the next timeline is to send the notification to agencies on May 15th. She would like to have the cooperator agreement signed by that time.

R. Rogers said we send this Dist. Counsel and say we need your review.

E. Fresco questioned if there is a commitment to make this decision. She asked Bob if it is his position that the Board accept absolutely no liability?

B. Fultz said as an individual Board member, he believes that the District's ongoing financial liability, rather legal or maintenance, should be as low as possible down to preferably zero.

K. O'Connor said that a lot of work has gone into this, he hopes the District doesn't pull out at the last minute.

R. Rogers plans to have this on the May 2nd BoD meeting. He said he has to protect the District on all projects

B. Fultz said the we are small. We have no resources if the feds and state want to take on these projects, that's great, but we have no money to take on long term liability. He believes the consensus is to take the agreement to the District Counsel and then take this item to the Board on May 2nd. He said it should be noted that there is a disagreement on the Committee regarding this item but there is no disagreement on the end goal.

C. Baughman asked if the debris slows the water in an actual flood event. Perhaps it would be a good thing, protecting properties down below.

K. Camara said that their civil engineering firm has said that they will not increase flood risk at, above or below each structure.

C. Baughman said he is in favor of getting something done on this. He questioned if the City of Santa Cruz has similar property.

K. Camara said that part of the project is on land owned by the Water District and part is on City owned property.

* L. Lurie said that the paperwork has been completed with the City. (see *)

C. Blanchard questioned how far downstream are the first homes. (Unknown)

C. Baughman questioned if there is any way to quantify the amount of groundwater recharge with which we would benefit and see what the value of that would be in terms of replacement costs or getting that water somewhere else and balance that against the

financial risk.

J. Michelsen said that sounds like an extensive hydrologic assessment.

B. Fultz said it's a great question but it probably won't change how he is thinking about it. It would be interesting to know the answer.

K. Camara said she will ask.

B. Fultz said we have an action item to take to the Board.

B. EDUCATION COMMISSION AND CLASSIC WATERSHED GRANT PROGRAM FUNDING OPPORTUNITIES

B. Fultz explained the background on this item.

J. Michelsen gave the history of the program. This program started with the sale of the Waterman Gap property. The money from the sale became the general fund. This program was funded through the Waterman Gap money and so was the operations.

B. Fultz said that he didn't understand. The Waterman Gap money was in a reserve fund. Funds like that are generally not mixed in to general funds. It was his understanding that the interest on the Waterman Gap money was being used to subsidize ongoing operations expenses.

R. Rogers said the some of the funds were used for the purchase of watershed. The interest did go into the operations. At that time, we had 8 or 10 capital accounts.

J. Michelsen she that she spoke to Finance Director and she said it went mainly into the general fund.

B. Fultz said he wanted to give his perspective. The Board could have made it more explicit as to how to fund the program. The rational was clear, some of the money would go to public education.

J. Michelsen continued with the history of the program. The District has funded 95 projects since 2004. The program costs \$2.09 per connection per year.

K. O'Connor said he enjoys seeing the variety of projects over the years. He is very supportive of this project. He questioned how many groups do watershed education grants.

J. Michelsen said there were 2 before this year. The other was funded by the Fish & Wildlife Commission at the County which was funded through fines. Both of the grant programs were suspended this year. The question is, can we find other means of funding? She has not found a grant that funds grants.

B. Fultz questioned the County program's amount of funding.

J. Michelsen the amount of funding varied with the amount of fines.

B. Fultz said that there was a lot of interest in voluntary contributions. This route is well intentioned but not practical for the District. It would trigger an expensive point audit.

J. Michelsen said that she wrote a memo in 2015 when she noticed that there were many repeat recipients of grants. Since then, her view has changed regarding repeat recipients. For example, Jane Orbuch had students that were doing a deep drive into science literacy for several consecutive years.

C. Baughman in 2014 Dir. Fultz clearly supported this program, what changed?

B. Fultz said as he was looking into costs and the mission, he doesn't think the mission supports what we are trying to do here. If previous Boards persisted in preserving this program, they would have allocated a reserve fund. Infrastructure needs more emphasis.

E. Fresco said she like Jen's phrase of environmental literacy. Even the infrastructure discussion requires a certain amount of public education.

B. Fultz agreed but said that the infrastructure needs upgrading. He questioned if there is any other organization that can take this program over.

K. O'Connor suggested the community foundation. The comments made earlier about

the mission of the District, it should see itself as a steward of the watershed. He said perhaps we can reduce the amount of money, but still educate.

The Committee and staff continued to discuss the program.

B. Fultz said in its current form there is no support from the Board. With retooling maybe. The Environmental team needs to be focused on projects for supply water.

K. O'Connor questioned how does the discussion get to the Board.

B. Fultz said that the meeting is recorded and minutes are posted. He makes sure that the information reflects a mix of opinions.

C. WATER CONSERVATION REQUIREMENTS/REBATE PROGRAM UPDATE

Bring back to next meeting

5. Informational Material: None

6. Adjournment 11:15

*Jen,

At the environmental committee meeting yesterday, the question came up of whether the City had already signed the cooperator agreement, and if the agreement they signed was the same as that presented to the SLVWD. I responded that yes, the city had already signed this same cooperator agreement. Following the meeting, I double checked with our project manager and learned that I had misspoken, and that in fact we have not yet presented the cooperator agreement to the City for this particular project. Can you please pass along this corrected information to the committee and make sure the meeting record reflects the accurate response? I apologize for my misstatement, and don't want that misinformation to perpetuate. We will be following up with the city on this agreement shortly. Thank you for helping to pass along that message.

I will follow up with you and Rick regarding legal review and revisions to the indemnity language of the agreement. We look forward to coming to an agreement that works for both our agencies and moving this important project forward.

thanks

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