

**SAN LORENZO VALLEY WATER DISTRICT
BOARD MEETING ACTION SUMMARY
September 07, 2006**

CONVENE MEETING/ROLL CALL

Roll call showed Dirs. Nelson, Vierra and McPherson were present. Dir Prather arrived at 7:40 p.m. Dir Rapoza was absent. District Manager Mueller, Operations Manager Rogers and Legal Counsel Baird were also present

MINUTES

- a. Regular Meeting of August 17, 2006
Motion was made by Dir. Vierra to approve the Minutes of the Regular Meeting of August 17, 2006.

ROLL CALL:

Ayes: McPherson, Vierra
Noes: None
Absent: Prather, Rapoza
Abstain: Nelson

ADDITIONS AND DELETIONS TO AGENDA: None.

ORAL COMMUNICATIONS: None

WRITTEN COMMUNICATIONS: None.

CONSENT AGENDA:

- a. 2006 Annual River Road Clean Up.
Consideration and possible action by the Board to authorize participation in the 2006 Annual River Road Clean Up.
- b. Authorization to bid for inventory materials for a six (6) month period.
Consideration and possible action by the Board to authorize the bid for inventory materials for a six (6) month period.

Dir. McPherson requested that Item b of the Consent Agenda be moved to New Business agenda items to discuss further. Motion made by Dir. McPherson to approve Consent Agenda Item A.

ROLL CALL:

Ayes: Nelson, Vierra, McPherson
Noes: None
Absent: Prather, Rapoza
Abstain: None

UNFINISHED BUSINESS: None.

NEW BUSINESS:

- a. 2006 California Special District Association Board of Directors Election.
Consideration and possible action by the Board to authorize the President of the Board to cast a vote on behalf of the District in the 2006 California Special District Association Board of Directors Election. Motion by Dir McPherson to authorize the President of the Board to cast a vote on behalf of the District in the 2006 California Special District Association.

ROLL CALL:

Ayes: Nelson, Vierra, McPherson
Noes: None
Absent: Prather, Rapoza
Abstain: None

- b. LAFCO Special District Representative Election.
Consideration and possible action by the Board to authorize the President of the Board to cast a vote on behalf of the District in the LAFCO Special District Representative Election.
James W. Anderson, Felton Fire Protection District was present to speak to the Board regarding his nomination on the LAFCO Special District Representative Election. Motion was made by Dir Vierra for the President of the Board to cast a vote on behalf of the District for Mr. Anderson in the LAFCO Special District Representative Election.

ROLL CALL:

Ayes: Nelson, McPherson, Prather, Vierra
Noes: None
Absent: Rapoza
Abstain: None

- c. Annual Disclosure Report of Employee Reimbursements for Fiscal Year 2005-2006.
Consideration and possible action by the Board to accept and file the Annual Disclosure Report of Employee Reimbursements for Fiscal Year 2005-2006. Motion made by Dir Vierra to accept the Annual Disclosure Report of Employee Reimbursements for Fiscal Year 2005-2006.

ROLL CALL:

Ayes: Nelson, McPherson, Prather, Vierra
Noes: None
Absent: Rapoza
Abstain: None

- d. Biennial Review of San Lorenzo Valley Water District Conflict of Interest Code.

Consideration and possible action by the Board relative to the biennial review of the District's Conflict of Interest Code. District Manager Mueller presented to the Board the Biennial Review of the District's Conflict of Interest Code. Dir McPherson asked for an explanation for the difference in wording on the description of Form 700 and the actual form. Legal Counsel Baird clarified that Form 700 had a more general description; the Conflict of Interest Code was the actual legal wording. Staff had reviewed the District's Conflict of Interest Code and stated that no changes or corrections were required at this time. Dir Nelson motioned to accept the Biennial Review of San Lorenzo Valley Water District Conflict of Interest Code.

ROLL CALL:

Ayes: McPherson, Prather, Vierra, Nelson
Noes: None
Absent: Rapoza
Abstain: None

- e. Budget Amendment Fiscal Year 2006-2007; Nina Tanks Repair Project.
Consideration and possible action by the Board to approve a Budget Amendment for Fiscal Year 2006-2007 relative to the proposed Nina Tank Repair Project.
Operations Manger Roger presented a report to the Board for an increase in the Budget for Fiscal Year 2006-2007 to install liners in the Nina Tanks to stop excessive leakage. Dir Prather inquired if this would cause accelerated rot in the tanks. Operations Manager Roger's felt it would not and that the liners would give the District 5 to 7 years to complete further analysis of eventually replacing Nina Tanks. Dir Nelson motioned to accept Resolution No. 6 for the amendment of the District's budget for Fiscal Year 2006-2007 by \$31,000.00 for the Nina Tank Repair Project.

ROLL CALL:

Ayes: McPherson, Prather, Vierra, Nelson
Noes: None
Absent: Rapoza
Abstain: None

- f. Public Hearing regarding Amendment of Ordinance 8, Article 16 Account Security Deposits
Public Hearing, consideration and possible action by the Board to amend the District's existing ordinance which would terminate the accrual of interest on account security deposits held by the District. District Manager Mueller presented to the Board the recommendation that the District refund the account security deposit after 1 year of customer having non-interrupted service due to non-payment of water bills. District Manager Mueller also presented to the Board that interest earned on security deposits would be suspended. Dir Prather inquired why the numbering was different on Ordinance 8 and Ordinance 103, District Manager Mueller clarified that Ordinance 8 has been modified over time and that the numbering sequence was incorrect. Ordinance 8 is currently being revised to correct these errors and update the document and will be brought before the Board for approval at a later regular board meeting.

Dir Nelson opened the public hearing on amendment of Ordinance 8, Article 16 Account Security Deposits. No one from the public was present. Dir Nelson closed the public hearing. Dir Vierra motioned to accept Ordinance No. 103 Account Deposits.

ROLL CALL:

Ayes: Nelson, McPherson, Prather, Vierra
Noes: None
Absent: Rapoza
Abstain: None

- g. Authorization to bid for inventory materials for a six (6) month period. Consideration and possible action by the Board to authorize the bid for inventory materials for a six (6) month period
This item was moved from the Consent Agenda in order to discuss questions from Dir McPherson. Dir McPherson wanted clarification on what the bid for inventory as for. Operations Manager Rogers clarified that the bid process locked in the District prices with vendors for a six (6) month period saving the District approximately \$20,000.00. Dir. McPherson motioned to accept the bid for inventory materials for a six (6) month period.

ROLL CALL:

Ayes: Nelson, Prather, Vierra, McPherson
Noes: None
Absent: Rapoza
Abstain: None

GENERAL MANAGER REPORTS:

- (1) Bill List Period Ending September 7, 2006
Motion was made by Dir. Vierra to approve the bill list in the amount of \$319,378.48.

ROLL CALL:

Ayes: Prather, Rapoza, McPherson, Vierra
Noes: None.
Absent: Nelson
Abstain: None.

- (2) Investment Report Period ending July 31, 2006.
The Board received the Investment Report Period Ending July 31, 2006.

- (3) Department Status Reports

- (i) Administration
The Board received the Administration Department Status Report.

- (ii) Operations
The Board received the Operations Department Status Report.
- (iii) Engineering
The Board received the Engineering Department Status Report.

INFORMATIONAL MATERIAL:

The Board received the newspaper articles.

ADJOURNMENT TO CLOSED SESSION

Dir. Nelson adjourned the meeting to closed session at 8:50 p.m. Conference with Legal Counsel Anticipated Litigation, two (2) potential cases pursuant to California Government Code 54956.9(c) and, Public Employee Performance Evaluation, pursuant to California Government Code 54957(b)(1).

RECONVENE TO OPEN SESSION TO REPORT ACTIONS TAKEN IN CLOSED SESSION:

Dir. Nelson reconvened the regular meeting at 9:15 p.m. and reported out that:

- a. CONFERENCE WITH LEGAL COUNSEL;
ANTICIPATED LITIGATION
Initiation of litigation pursuant to subdivision (c) of California Government Code Section 54956.9.
One (1) potential case.

Discussed, no reportable action taken.
- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – DISTRICT
MANAGER
Pursuant to California Government Code Section 54957(b) (1)

Discussed, no reportable action taken.

ADJOURNMENT

Dir. Nelson adjourned the meeting at 9:15 p.m.

Brandon Barchi
District Secretary
San Lorenzo Valley Water District