



NOTICE OF LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a regular meeting of the Lompico Assessment District Oversight Committee to be held Tuesday, **September 12, 2017 at 5:30 p.m.** at the SLVWD Operations Building, 13057 Highway 9, Boulder Creek, California.

AGENDA

CONVENE MEETING/ROLL

ORAL COMMUNICATIONS

REVIEW OF MINUTES

MINUTES FROM LADOC 8/8 REGULAR MEETING

Review and discuss minutes from 8/8 regular meeting

OLD BUSINESS

DISCUSSION OF ASSESSMENT CONSTRUCTION RELATED COSTS/LOW INTEREST LOANS

- o Relay discussion at Budget and Finance Committee Meeting regarding loan discussion related to Lompico during B&F Committee Meeting

DISCUSS ANNUAL OR SEMI-ANNUAL REPORTS TO LOMPICO RESIDENTS

- o Discuss annual or semi-annual reports to Lompico SLV Customers as related to info gleaned at B&F Meeting

SHARE EMAIL SENT TO SLVWD B&F COMMITTEE ACCEPTING THEIR PROPOSAL AND AGREEING TO QUARTERLY MEETINGS

- o Review and discuss any issues regarding email to SLVWD

DISCUSS ISSUES REGARDING PRELIM FINANCE REPORT IN PREPARATION FOR FIRST QUARTERLY MEETING

NEW BUSINESS

DISCUSS CHANGE OF MEETING LOCATION

- o SLVWD, per Holly Morrison, unwilling to install phone line in Lompico office
- o Zayante Fire Station not available on 2nd Tuesday's of the month. We need to decide if we want to change to another day or hold our monthly meetings at Boulder Creek SLVWD meeting room.

REPORT FROM LADOC MEMBERS REGARDING LOMPICO ITEMS DISCUSSED AT SLVWD ENG COMMITTEE

DISCUSS THE INFORMATION RECENTLY RECEIVED FROM SLVWD THAT THE COMPANY NBS IS INVOLVED IN THE MANAGEMENT OF THE LOMPICO ASSESSMENT DISTRICT FUNDS

- o Obtain better understanding of what this means and how it impacts the Lompico Assessment District funds, projects, finance reports and audits. Prepare any questions the committee decides are needed regarding this issue. Decide when and how we will address these questions with SLV.

INFORMATIONAL MATERIAL (see attached)

- o **LADOC Aug 2017 Minutes**
- o **EMAIL TO SLVWD B&F COMMITTEE REGARDING PROPOSAL FOR LADOC QUARTERLY FINANCE REPORT MEETINGS**
- o **ENGINEERING REPORT**

ADJOURNMENT

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on September 1, 2017, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, and at the meeting location 11255 Lompico Rd, Lompico, California, said time being at least 72 hours in advance of the meeting of the Lompico Assessment District Oversight Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on September 1, 2017.

Holly B. Morrison, District Secretary
San Lorenzo Valley Water District

LADOC Meeting 8/8/2017

CONVENE MEETING/ROLL – All members are present. Meeting called to order at 5:37pm

ORAL COMMUNICATIONS

Mark – Point of Information according to the Brown Act minutes are not required. Transparency standpoint we want to have minutes available for community members. Concern that minutes are not available online. Board committee requires that a Board member from SLV is present.

Ed – Finance committee meeting last week Ed attended. Finally provided detailed costs. This is done quarterly and we just got it for the first time. Why haven't we been given quarterly assessment reports. NBS is running the assessment. Add the discussion of NBS to the next agenda for LADOC.

REVIEW OF MINUTES 5:46pm

MINUTES FROM LADOC 7/11 REGULAR MEETING

Review and discuss minutes from 7/11 Regular Meeting

Minutes approved.

NEW BUSINESS 5:48pm

INFORMATION FROM B&F COMMITTEE MEETING

Review Finance Reports which Finance Manager, Stephanie Hill will make available to the LADOC Committee quarterly. These are preliminary reports to demonstrate what will be available and have NOT yet been audited.

- This is what LADOC members have been wanting to see for the last year.
- NOTE it is a preliminary report so it may change. Audit is when they may be changed. They need to provide the audited records once they are finalized. **Ask the SLVWD is the audit is done quarterly or annually? Is NBS involved in the auditing? Is it an internal audit?**
- There a beginning cash balance because some Lompico residents paid entire assessment up front
- Interest is accumulating at the county. Separate account for the assessment district.
- Question from Mark about what the outstanding balance is?
- Temporary SCADA system was put in place and there was no money allotted in the Assessment district for a temporary SCADA only a permanent SCADA.
 - Surcharge money should have been spent on the temporary SCADA not the Assessment money.
- Concern expressed by Mark about the laterals not being done when the meters were done.
 - Lydia thinks they did do this. Brian Lee never clarified this to the committee.
 - John went through records ten years ago with Eggleston and found that all laterals had been changed. This list was provided to the SLVWD to show that all laterals did not need to be changed. In the discussion of the Assessment District they stated 75% needed to be changed but John does not think they do.
 - Toni asked when this would be done. They said they will fix them as they break.

- Ed talked to a SLVWD worker who was fixing a lateral that had broken. The chlorine is breaking the poly butylene down. They are going to do Poly Ethelene in the future to prevent this breakage.
 - Meters and laterals budget is 340K.
- Concern about the excessive cost for overhead on the labor charges for the SCADA. We should ask SLVWD what this overhead is? 20K labor 14K is overhead, 50% overhead.
 - Engineering? Employee benefits?
 - Unclear which it is. **We need clarification. Need to see the labor broken out.** In field?
 - Pay periods for the labor does not correlate with the project dates.
 - Surcharge should be covering admin payroll; Rachel Munoz labor charges should not be included in the assessment district.
 - How is reporting going to work?

Discuss Proposal of Finance Chair and SLVWD VP Baughman to hold our LADOC meetings quarterly at the Boulder Creek facility. If we make the change both Finance Manager, Stephanie Hill and VP Baughman have agreed they will attend our meetings.

- John proposed that we continue to meet monthly until we get more clarity from SLVWD. So we can continue to gather information on our own. Lydia suggested John attend the finance committee meetings to get answers on the projects and spending. Get to finance committee meetings early because they start with Lompico first. Keep our monthly meeting and make it a tight specific agenda with goal of an hour so we can be updated on the finance committee meetings.
- If we move to Boulder Creek they will provide us with agendas and reports and representation to answer questions.
- **Lydia moved to have regular Lompico meeting in November at the Boulder Creek location. All members voted in favor of this. November 14, 2017 at 5:30pm in Boulder Creek.**
- We will have the September monthly meeting at the Lompico office. September 12, 2017.
- **Toni will notify SLVWD that we will be doing a Quarterly meeting in November.**

Finance committee stated that Lompico projects have been delayed due to limited access to contractors fixing damage from the winter.

ISSUES RAISED BY JOHN GRUNOW

Discuss the following issues and how some may be partially addressed with info received at B&F meeting

There is no final total for the meter / lateral replacement.

- Lateral being done as breaking this is NOT in line with the assessment. They should be replacing the laterals. Slush fund? If they are using money to fix things that they did wrong then it should not be coming from the assessment. Toni stated that repairs are not being billed to the assessment, only replacements is being billed to the Assessment.
- Combined figures make it difficult to see what they are spending the money on. Need more transparency on this. Survey engineering and design fees, construction inspection, are line items noted on original budget.
- We need a quarterly report that clearly identifies expenses. We need to strategically ask for this in a manner that is conducive to us getting the information.

- This should be raised as a question at the next meeting or brought directly to the SLVWD Board. Engineering committee and finance committee could be good to get clarity on this. Add this question to the November meeting agenda. John wants us to get an answer sooner than November.

There are multiple problems with the documentation provided to LADOC from SLVWD.

- A) Secretarial hours come 240 hrs, this comes to almost 1/2 hr per meter. **This is excessive.**
 - 1. Stephanie and Board said at Finance Committee meeting that this was an accident and that it was for entering in Lompico residents into their system and should not be on the Assessment District.
 - 2. Need to verify this is removed at next meeting.
- B) Yearly maintenance for the meter wireless system was included. **This is not a part of improvements.**
 - 1. 5 year Depreciation on SCADA, see page 5 of agenda. This number does not seem right? 15 year depreciation is listed for the system on another page. **Why are there 2 depreciation timelines? Add this question to the November meeting agenda. What is the long-term plan and why is there a 5 year depreciation? How was this determined?**
- C) Multiple invoices for tools. **These are standard, not special tools and is not part of improvements.**
- D) SCADA system is done, The special district funding does not provide funding for changing, upgrading for the next 10 years. It only provides for a (single) SCADA system.

Next meeting will go through John's questions/statements and fine tune them for the November meeting.

OLD BUSINESS 6:54pm Voted to move old business at next meeting in Sept.

LADOC CHARTER REQUIREMENTS

Discuss results of presenting LADOC Charter Requirements document to Budget and Finance Committee

CORRECTING LADOC CHARTER VERBIAGE

Discussed issue of updating Charter with VP Baughman, as per agreed by Board. Checked LADOC page at SLVWD.com and is now updated! The BOD Manual still has the original lengthy description taken from the Engineering Committee

DISCUSSION OF ASSESSMENT CONSTRUCTION RELATED COSTS/LOW INTEREST LOANS

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ORAL COMUNICATIONS

Mark Mitchum was asked to leave and stop yelling at the committee members.

ADJOURNMENT 6:55pm



Toni Norton <lompicotoni@gmail.com>

Please forward to Budget and Finance Committee Members (Baughman, Ratcliffe and John Hayes)

1 message

Toni Norton <lompicotoni@gmail.com>

Wed, Aug 30, 2017 at 4:19 PM

To: bod@slvwd.com

Cc: john@hayestech.com

Greetings Members of SLVWD B&F Committee,

The Lompico Assessment District Oversight Committee would like to thank you for including the LADOC Charter Requirements on your last agenda, reviewing the document and offering your suggestions and proposal.

I presented your proposal to the LADOC to move our meetings to the SLVWD meeting location and change the meetings to once a quarter. All committee members were very enthusiastic about having Director Baughman and Ms.Hill attend the meetings. They were also pleased with the preliminary, unaudited copy of the proposed Finance report.

After the Finance meeting I contacted Ms.Hill and asked when we could anticipate receiving the final, audited version of the report and plan a date for the quarterly meeting in Boulder Creek. Ms. Hill explained that once the quarter ends 9/30, her team will need time to prepare the report and we could plan for an end of October through early November meeting date.

The LADOC committee decided that for us it would be best to continue with our 2nd Tuesday of the Month, so our first Quarterly Meeting at the Boulder Creek location will be scheduled for 11/9 at 5:30 pm if the room, Director Baughman and Ms. Hill are available.

At this time, the LADOC felt that we are not ready to move to quarterly only meetings. After discussion it was agreed that we would revisit a change to quarterly only meetings after we have a couple of the meetings in Boulder Creek behind us and feel that we are on the right track.

Sincerely,

Toni Norton



Toni Norton <lompicotoni@gmail.com>

Re: Need Agenda Items by tomorrow morning, Holly on vacation next week

1 message

Lydia Hammack <l.hammack@att.net>
Reply-To: Lydia Hammack <l.hammack@att.net>
To: Toni Norton <lompicotoni@gmail.com>

Thu, Aug 31, 2017 at 10:56 AM

Agenda Item:

Lompico Assessment Projects: Status report from August 28, 2017 Engineering Committee Meeting

Lewis Tank Replacement Status Update:

RFP for design, engineering & environmental. Ready for bid then construction spring 2018, however could be pushed out to 2019 because of sand hills permit issues.

Lompico System SCADA Status Update:

The temporary low cost SCADA system only works to a point.

IE: Madrone booster was operated manually for 2 weeks because it had no remote contact with main system.

Operational funds, not Assessment funds, are being used for the temporary system.

All tank replacements will include a new updated SCADA system. IE: Final SCADA will be complete when last tank is complete.

Lompico Service Line and Meter Replacement Status Update:

All meters replaced, some issues reading a small # via cellular but working with supplier to resolve. Service lines are currently being replaced only as needed.

Per Rick Rogers: If service line replacement is needed- Assessment funds are charged.

If only a repair is needed it is charged to operations like any other leak.

They are currently working on a schedule to replace all the lines. This will be done over several years.

Lompico Distribution System Interconnection Project:

Nothing new because this project will be done later.

Lompico Zone System Pressure Regulating Valves (PRV) Replacement Project Status Update:

All considered broken plan and cash flow needed for replacement.

From: Toni Norton <lompicotoni@gmail.com>

To: Toni Norton <lompicotoni@gmail.com>

Sent: Wednesday, August 30, 2017 8:31 PM

Subject: Re: Need Agenda Items by tomorrow morning, Holly on vacation next week

Of course, I meant Zayante Firehouse. Thanks, Ruth for catching my mistake.

Sent from my iPhone

On Aug 30, 2017, at 5:48 PM, Toni Norton <lompicotoni@gmail.com> wrote:

Sorry everyone,

I heard from Holly Morrison that she is on vacation next week and needs to send out the agenda by Friday. Please get me your agenda items first thing in the morning.

If you plan on presenting documentation and it is not ready, please give me the item to include on the agenda and then bring enough copies of your documents to share.

IMPORTANT NEWS:

Our meeting location for the 9/12 meeting may change to the SLVWD Firehouse. Holly will confirm tomorrow. There was apparently concerns expressed by the Grand Jury that we had no phone access available in the case of an emergency.

I'll send an update as soon as I hear.

Sincerely,

Toni Norton