

**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
**December 18, 2008**  
**SAN LORENZO VALLEY WATER DISTRICT**  
**BOULDER CREEK, CALIFORNIA**

**CONVENE MEETING/ROLL CALL**

Vice Pres. McPherson convened the meeting at 7:31 p.m. Roll call showed Dirs. McPherson, Nelson, Rapoza and Vierra were present. Dir. Prather was absent. District Manager Mueller, Operations Manager Rogers and Legal Counsel Hynes were also present.

**ACTIONS BY PRESENT BOARD**

**ACTIONS TO ESTABLISH NEW BOARD**

**APPOINTMENTS IN LIEU OF ELECTION.**

The term of office for Dir. McPherson and Nelson expired on December 1, 2008. Both Dir. McPherson and Nelson filed Declarations of Candidacy. No other candidates filed for the two (2) offices. Motion made by Dir. Rapoza to accept Santa Cruz County Board of Supervisors Resolution No. 216-2008, a resolution Appointing Members in Lieu of Election to the Board of Directors of San Lorenzo Valley Water District.

**ROLL CALL:**

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

**OATH OF OFFICE**

District Secretary administered the oath of office to appointed Board members McPherson and Nelson.

**MINUTES**

Minutes Regular Meeting of December 4, 2008.

Motion made by Dir. Rapoza to approve minutes for the December 4, 2008 Board of Directors Meeting.

**ROLL CALL:**

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

**ADDITIONS AND DELETIONS TO AGENDA:**

District Manager Mueller requested Item 9(d) be taken out of order and moved to first item discussed under New Business.

**ORAL COMMUNICATIONS:**

Connie Barr addressed the Board and stated that she received her first water bill from the District and was extremely gratified to be apart of San Lorenzo Valley Water District.

**WRITTEN COMMUNICATIONS:** None.

**CONSENT AGENDA:** None.

**UNFINISHED BUSINESS:** None.

**NEW BUSINESS:**

d. WATER RATES

District Manager Mueller and District consultant Municipal Financial Services presented to the Board a proposed multiple year water rate increase. Motion made by Dir. Vierra to approve the Water Rate Increase Plan. Staff was directed to proceed with actions for a water rate increase in relation to Proposition 218.

ROLL CALL:

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

a. EMPLOYER PICK-UP OF CalPERS MEMBER CONTRIBUTION

CalPERS notified contracting agencies that in order to comply with Internal Revenue Service Revenue Ruling 2006-43, each agency that reports tax deferred member contributions must adopt written documentation prior to a deadline of January 1, 2009. Motion made by Dir. Vierra to approve Resolution No. 14, a resolution providing conforming documentation to CalPERS for an employer pick-up of CalPERS member contributions.

ROLL CALL:

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

b. DISTRICT SPONSORSHIP OF SALMONID RESTORATION FEDERATION 2009 CONFERENCE

Betsy Herbert presented to the Board the sponsorship application for the Salmonid Restoration Federation 2009 Conference. The Board requested additional information be provided at the January 15, 2008 regular Board of Directors meeting.

c. REFUND OF WATER SERVICE CONNECTION CHARGE APN 079-111-08

District Manager Mueller presented the Board with a request for a refund of water service connection charges on property that is "unbuildable because of environmental rules". Motion made by Dir. McPherson to approve Resolution No. 15, a resolution to

refund the connection charge for APN 079-111-08. Staff was directed to discuss water service connection refunds at a future Finance Committee and report back to the Board.

**ROLL CALL:**

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

**GENERAL MANAGER REPORTS:**

- (1) Bill List Period Ending December 18, 2008.  
Motion made by Dir. Vierra to approve the Bill List Period Ending December 18, 2008.

**ROLL CALL:**

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

- (2) Cash Flow Report Period Ending November 30, 2008  
The Board received the Cash Flow Report Period Ending November 30, 2008.
- (3) Department Status Reports  
The Board received the Department Status Reports.

**COMMITTEE/DIRECTOR REPORTS (Oral):**

Betsy Herbert reported out on the Environmental Committee held December 11, 2008.

**INFORMATION MATERIAL:** None.

**ADJOURNMENT TO CLOSED SESSION**

Pres McPherson adjourned the regular meeting to closed session at 8:53 p.m. for the purpose of:

- a. CONFERENCE WITH LEGAL COUNSEL;  
EXISTING LITIGATION  
Existing litigation pursuant to subdivision (a) of California Government Code Section 54956.9  
Name of case: San Lorenzo Valley Water District vs. Constance Noel, et al.
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Conference with Real Property Negotiator pursuant to California Government Code Section 54956.8.  
Property: APN 081-361-02 generally located in Southwest Boulder Creek.  
Agency Negotiator: James A. Mueller, District Manager  
Negotiating Party: Ikey Little

Under Negotiation: Price and Payment Terms.

- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Property: APN 090-194-01 generally located on Rebecca Drive,  
Boulder Creek, CA 95006  
Agency Negotiator: James A. Mueller, District Manager  
Negotiating Party: Kenneth Smith  
Under Negotiation: Price and Payment Terms
- d. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Property: APN 071-141-07, -08 and -11 generally located along East Zayante Road,  
Felton, CA 95018  
Agency Negotiator: James A. Mueller, District Manager  
Negotiating Party: Ray Ferrari  
Under Negotiation: Price and Payment Terms

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

Pres McPherson reconvened the regular meeting at 9:28 p.m. and reported out that:

- a. CONFERENCE WITH LEGAL COUNSEL;  
EXISTING LITIGATION  
Existing litigation pursuant to subdivision (a) of California Government Code Section 54956.9  
Name of case: San Lorenzo Valley Water District vs. Constance Noel, et al.  
  
No reportable action.
- b. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Conference with Real Property Negotiator pursuant to California Government Code Section 54956.8.  
Property: APN 081-361-02 generally located in Southwest Boulder Creek.  
Agency Negotiator: James A. Mueller, District Manager  
Negotiating Party: Ikey Little  
Under Negotiation: Price and Payment Terms.  
  
No reportable action.
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Property: APN 090-194-01 generally located on Rebecca Drive,  
Boulder Creek, CA 95006  
Agency Negotiator: James A. Mueller, District Manager  
Negotiating Party: Kenneth Smith  
Under Negotiation: Price and Payment Terms  
  
No reportable action.
- d. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Property: APN 071-141-07, -08 and -11 generally located along East Zayante Road,

Felton, CA 95018  
Agency Negotiator: James A. Mueller, District Manager  
Negotiating Party: Ray Ferrari  
Under Negotiation: Price and Payment Terms

No reportable action.

**ADJOURNMENT**

Pres McPherson adjourned the meeting at 9:28 p.m.

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Brandon Barchi, District Secretary  
San Lorenzo Valley Water District