

**BOARD OF DIRECTOR'S MINUTES  
SAN LORENZO VALLEY WATER DISTRICT  
BOULDER CREEK, CALIFORNIA**

**April 3, 2003**

The regular meeting of the Board of Directors of the San Lorenzo Valley Water District was called to order by Dir. Rapoza on Thursday, April 3, 2003 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:33 p.m.

ROLL CALL:

Roll call showed Dirs. Rapoza, Nelson, Prather and Vierra present. Dir. Ross and Watershed Resources Coordinator Hynes were absent. District Manager Mueller and Counsel Hynes were also present.

MINUTES:

- a. Minutes of the Regular Meeting of March 20, 2003

Motion was made by Dir. Vierra to approve the Minutes of the Regular Meeting of March 20, 2003, as amended.

ROLL CALL:

Ayes:	Vierra, Nelson, Prather, Rapoza
Noes:	None
Absent:	Ross

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS:

Lisa Rudnick presented an article to the Board titled Water in the West. Mrs. Rudnick indicated that she would make copies for the Board. Mrs. Rudnick stated that it was important for the Education Program to focus on water conservation.

Pat Dugan from Felton asked the Board if there is a Capital Improvement schedule for the next five years. Manager Mueller indicated that it is in the process of being updated and will be available July 1, 2003.

Paul Storm from Boulder Creek requested that the Board make contact with the Boulder Creek Recreation and Park District Board for discussions relative to LOCAL.

Janet Laidlaw from Boulder Creek stated that the Education Program should stick to conservation law.

Jeannie Sautamon from Capitola asked the Board what they knew about smart growth. In addition, Ms. Sautamon provided the Board with information on sustainable development and Agenda 21.

WRITTEN COMMUNICATIONS:

- a. March 25, 2003 Correspondence from Lisa Rudnick Regarding the Environmental Education Program Guidelines

The Board received the March 25, 2003 Correspondence from Lisa Rudnick Regarding the Environmental Education Program Guidelines.

- b. March 26, 2003 Correspondence from Central Water District to County of Santa Cruz Regarding Trench Cost Recovery Fee

The Board received the March 26, 2003 Correspondence from Central Water District to County of Santa Cruz Regarding Trench Cost Recovery Fee.

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. Financial Statement for Fiscal Year 2001-2002

Rob Smiley with Berger Lewis Accountancy Corporation was present to give the Board an overview of the Financial Statement for Fiscal Year 2001-2002. Mr. Smiley indicated that there were (2) two additional reports in this year's Audit relative to the District's Single Audit. Mr. Smiley informed the Board that they should review Joint Powers Authority (JPA) Financial Statements on a regular basis. The Board agreed to have the Finance Committee review the Capital Improvement Plan and the JPA's Financial Statements. Mr. Smiley indicated that the District uses a double entry accounting system so the books are always in balance. Dir. Rapoza explained to Gordon Stewart how the PERS employer rate is calculated. In addition, Dir. Rapoza explained that the District does not make a profit and all income is put back into the system. Mrs. Rudnick asked what category

the Education Fund falls under. Dir. Rapoza explained that this is an audit, not a budget.

Motion was made by Dir. Vierra to approve Resolution No. 28 (02-03) and accept the Financial Statement for Fiscal Year 2001-2002.

ROLL CALL:

Ayes:	Vierra, Nelson, Prather, Rapoza
Noes:	None
Absent:	Ross

b. Quail Hollow Groundwater Flow Model Documentation

Nick Johnson presented the final draft of the Quail Hollow Groundwater Flow Model Documentation to the Board. Mr. Johnson stated that the report details the model and is an integral tool for determining wells in the Quail Hollow area. In addition, the monitoring wells the County drilled are included in the model. Mr. Johnson stated that calibrating is much more valuable than estimating. Mr. Johnson indicated that the San Lorenzo Valley has a remarkable aquifer. Out of approximately 50" of rainfall per year, 19-20" goes into the aquifer.

Motion was made by Dir. Vierra to accept the Quail Hollow Groundwater Flow Model Documentation dated March 23, 2003.

ROLL CALL:

Ayes:	Vierra, Nelson, Prather, Rapoza
Noes:	None
Absent:	Ross

c. Tort Claims Act; Approved Claim Form

Manager Mueller reported that due to a recent change in the Tort Claim Act (Government Code Section 810 et seq.), prior to suing a public agency for money damages a claim must first be filed with the public agency. The Special District Risk Management Authority has provided a recommended claim form for all member agencies which contains the legal requirements for filing a claim with a public entity.

Motion was made by Dir. Vierra to adopt Resolution No. 29 (02-03) and approve the designated claim form in compliance with the Tort Claim Act (Government Code Section 810 et seq.).

ROLL CALL:

Ayes:	Vierra, Nelson, Prather, Rapoza
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Noes: None  
Absent: Ross

- d. Agreement for Installation of Fire Hydrant and Acceptance of Water Utility Easement; APN 085-201-12

Manager Mueller reported that the Monahan's are constructing a single family dwelling on the subject parcel and the Boulder Creek Fire Protection District is requiring the Monahan's to install a fire hydrant on the existing mainline on Bar King Road. In addition, an easement is required for the installation of water facilities.

Motion was made by Dir. Vierra to approve Resolution No. 30 (02-03) Agreement for Installation of a Fire Hydrant; Steven R. Monahan and Elisabeth Bueschen-Monahan; APN 85-201-12.

ROLL CALL:

Ayes: Vierra, Nelson, Prather, Rapoza  
Noes: None  
Absent: Ross

Motion was made by Dir. Vierra to approve Resolution No. 31 (02-03) Acceptance of Water Utility Easement; APN 085-201-12.

ROLL CALL:

Ayes: Vierra, Nelson, Prather, Rapoza  
Noes: None  
Absent: Ross

GENERAL MANAGER'S REPORTS:

- a. Manager

- (1) Bill List through April 3, 2003

Motion was made by Dir. Prather to approve the Bill List in the amount of \$213,477.00.

ROLL CALL:

Ayes: Prather, Nelson, Vierra, Rapoza  
Noes: None  
Absent: Ross

- (2) 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.

b. Committee/Director Reports (Oral)

(1) March 24, 2003 Election of Special District Representatives to LAFCO

Dir. Vierra reported on the March 24, 2003 Election of Special District Representatives to LAFCO meeting. Dir. Vierra stated that Dir. Rapoza was elected as Special District Representative to LAFCO. Dir. Rapoza indicated that he would send in the LOCAL form on behalf of the District.

(2) March 25, 2003 Joint Meeting of the Board of Directors Education Committee and the Education Program Citizens Advisory Committee

Dir. Vierra reported that the grant application forms were finalized the groundwork was laid for scholarships. All documentation has been completed by the Committee and will be presented to the full Board at an upcoming meeting. Dir. Rapoza indicated that a series of events would happen before the scholarships are implemented.

Lisa Rudnick of Ben Lomond was present and stated that she appreciated the mood of the Board. In addition, Mrs. Rudnick indicated that each member of the Board should look at the water code when determining implementation of the Education Program. She insisted that the expertise should be focused on water issues and not on environmental education.

Janet Laidlaw stated that she would like to see the scholarship program implemented, but was not comfortable with the grant program, as it would cause political problems.

Gordon Stewart was present to thank the Board for being open. Mr. Stewart stated that he has put up the warning flags and the District is not authorized to do what District Counsel so states. Mr. Stewart reported that Agenda 21 states that all grants are international and the District would be implementing an United Nation Program.

Patrick Dugan was present and cited several water codes to the Board. Mr. Dugan felt that the letter from District Counsel does not give authority to the Water District to provide for a Public Education Program.

#### INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

b. California Regional Water Quality Control Board Enforcement Report January 2003

The Board received the California Regional Water Quality Control Board Enforcement Report January 2003.

#### ADJOURNMENT TO CLOSED SESSION:

Dir. Rapoza adjourned the meeting to closed session at 9:20 p.m. to approve the Minutes of the Closed Session Meeting of March 20, 2003 and to confer with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9-Two (2) Potential Cases.

#### RECONVENE TO OPEN SESSION TO REPORT ACTIONS TAKEN:

a. Minutes of the Closed Session Meeting of March 20, 2003

Motion was made by Dir. Rapoza to approve the Minutes of the Closed Session Meeting of March 20, 2003, as presented.

#### ROLL CALL:

Ayes: Rapoza, Nelson, Prather, Vierra  
Noes: None  
Absent: Ross

- b. CONFERENCE WITH LEGAL COUNSEL -  
ANTICIPATED LITIGATION  
Significant Exposure to Litigation Pursuant to Subdivision (c) of  
Government Code Section 54956.9:  
Two (2) Potential Cases

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 10:31 p.m.

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Kelly Stephens  
District Secretary