

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

**March 20, 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, March 20, 2003 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:30 p.m.

ROLL CALL:

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

MINUTES:

- a. Minutes of the Regular Meeting of March 6, 2003

Motion was made by Dir. Prather to approve the Minutes of the Regular Meeting of March 6, 2003, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA:

Motion was made by Dir. Rapoza to add agenda item 8d, California American Water Company Acquisition, as it arose subsequent to posting of the agenda.

ROLL CALL:

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

ORAL COMMUNICATIONS: None

WRITTEN COMMUNICATIONS:

- a. March 10, 2003 Correspondence from Lisa Rudnick Regarding California Water Codes

The Board received the March 10, 2003 Correspondence from Lisa Rudnick Regarding California Water Codes.

- b. March 11, 2003 Correspondence from Lisa Rudnick Regarding Education Program Correspondence from the Valley Women's Club

The Board received the March 11, 2003 Correspondence from Lisa Rudnick Regarding Education Program Correspondence from the Valley Women's Club.

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. Loss Control Committee Minutes of February 18, 2003

Motion was made by Dir. Vierra to approve the Loss Control Committee Minutes of February 18, 2003.

ROLL CALL:

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

- b. Declaration of Surplus Property APN 82-241-20

Hal Royalty presented the Board with information regarding APN 82-241-20. Mr. Royalty indicated that the parcel contains a natural spring once used as a water source and is one of a chain of natural springs running the length of the canyon. Mr. Royalty felt that any action taken to tap or increase the flow of the spring could reduce the flow at the adjacent spring endangering the water supply for two (2) existing homes. In addition, rare, though not officially endangered, species are to be found in this riparian corridor. Mr. Royalty asked the Board to consider retaining ownership of this small parcel to prevent potential damage to domestic water supplies and the riparian corridor.

Trisha Zachary was present to ask that she be notified if the property does go up for sale.

Dir. Vierra stated that it makes sense for the District to hold on to this piece of property to protect the spring from use or over use. Dir. Prather agrees with protecting the watershed as a whole and indicated that there is no draw back to holding onto property. The Board agreed that it is not in the best interest of the District to surplus this property at this time.

c. Proposed District Education Program

District Legal Counsel Hynes responded to issues raised by correspondence regarding the authority of the Board to conduct and fund programs educating the public. Counsel Hynes state that statutory authority for this type of activity is set forth in the California Water Code. Districts have been given sources of authority to conduct these types of activities beginning with the Constitution. Counsel Hynes recognizes that the authority is broad and dealing with these types of issues in the State of California needs to be handled with care. The constitution is written to give the District authority in as broad a form as possible.

Gordon Stewart stated that the Public Education Program needed to be defined. Mr. Stewart recommended the Board focus on conservation where the legal path is clear.

Jane Hyde was present and asked the Board who benefited from water conservation and how she could best conserve. In addition, Mrs. Hyde stated that she was pleased with the new water bill format. Dir. Nelson told Mrs. Hyde that drip irrigation is beneficial and also more efficient than hand watering. Dir. Prather explained how conserving is beneficial to the entire District.

Jim Hyde was present and stated that he was uncomfortable with the broad interpretation from District Legal Counsel regarding the Education Program. Mr. Hyde expressed that he was not content with the scope of the Education Program. Lastly, Mr. Hyde made a recommendation that the District measure the water that leaves the system and compare to the amount of water that the rate payers pay for. In addition, Mr. Hyde felt that the District's money should be spent to improve better delivery of water

d. Acquisition of California American Water Company

Dir. Rapoza stated that if the Public Utilities Commission (PUC) goes ahead with the rate increase it could effect the purchase price of the Cal-Am Facility. Dir. Rapoza recommended that an expert appear before the PUC

Board on the District's behalf. Legal Counsel Hynes stated that the proposed attorney to represent the District assisted the Montara Sanitary District. Counsel Hynes indicated that the results would not be as good without appropriate representation.

Motion was made by Dir. Vierra to authorize an additional \$5,000.00 expenditure to hire appropriate representation to appear before the Public Utilities Commission Board regarding the rate increase.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List through March 20, 2003

Motion was made by Dir. Prather to approve the Bill List in the amount of \$243,589.58.

ROLL CALL:

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

(2) Cash Flow Period Ending February 2003

The Board received the Cash Flow Period Ending February 2003.

(3) Investment Report Period Ending February 2003

The Board received the Investment Report Period Ending February 2003.

(4) Department Status Reports

(i) Administration

Dir. Prather inquired on the status of the SCADA equipment. Manager Mueller indicated that there was an update in the Operations 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 11, 2003 Joint Meeting of the Board of Directors Education Committee and the Education Program Citizens Advisory Committee

Dir. Vierra reported on the March 11, 2003 Education Committee. Dir. Vierra reported that the Committee is reviewing and correcting the Education Guidelines. In addition, the Committee has been working on the scholarship eligibility requirements. The last meeting will be held on March 25, 2003 at 6:00 p.m. to wrap up and work on a rubric for scoring the grant applications.

INFORMATIONAL MATERIAL: None

ADJOURNMENT TO CLOSED SESSION:

Dir. Rapoza adjourned the meeting to closed session at 8:20 p.m. to approve the Minutes of the Closed Session Meeting of March 6, 2003 and to confer with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9-One (1) Potential Case.

RECONVENE TO OPEN SESSION TO REPORT ACTIONS TAKEN:

a. Minutes of the Closed Session Meeting of March 6, 2003

Motion was made by Dir. Rapoza to approve the Minutes of the Closed Session Meeting of March 6, 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:  
One (1) Potential Case

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 8:36 p.m.

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Kelly Stephens  
District Secretary