

**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
BOULDER CREEK, CALIFORNIA**

February 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, February 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, Ross and Vierra present. District Manager Mueller and Counsel Hynes were also present. Watershed Resources Coordinator Hynes was absent.

MINUTES:

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

Motion was made by Dir. Vierra to approve the Minutes of the Regular Meeting of February 6, 2003.

ROLL CALL:

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

CHANGE IN AGENDA: None

APPEARANCE OF INTERESTED CITIZENS: None

CORRESPONDENCE:

- a. Correspondence from Nancy & Ken Macy Regarding San Lorenzo Valley Water District's Education Program

The Board received the correspondence from Nancy & Ken Macy Regarding San Lorenzo Valley Water District's Education Program.

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

02/20/03

- a. Agreement with County of Santa Cruz for Payment of Legal and Consulting Costs

Manager Mueller presented the Board with a draft agreement from the County of Santa Cruz regarding retainment of Legal and Consulting Services in connection with California American Water Company's General Rate Case Application for it's Felton District before the California Public Utilities Commission (PUC). Legal Counsel Hynes stated that he has reviewed the agreement and it looks fine. Dir. Ross would like to add the San Lorenzo Valley Water District to task one (1) in paragraph two (2) on page one (1) of the agreement. Counsel Hynes directed staff to have this amendment implemented into the agreement.

Motion was made by Dir. Ross to approve Resolution No. 24 (02-03) Agreement with County of Santa Cruz for Payment of Legal and Consulting Costs, as amended.

ROLL CALL:

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

Susan Kipping was present and appraised the Board for considering the acquisition of Cal-Am Water. Ms. Kipping would like to offer her help regarding Cal-Am acquisition to the Board and District in anyway she can. Ms. Kipping gave the Board information regarding Cal-Am and RWE's operations.

- b. Conservation Rebate Program

Manager Mueller reported that the Conservation Committee met on January 29, 2003. The Committee felt that it was a priority to move forward with a Water Conservation Rebate Program. Staff asked the Board for direction regarding funding and implementation of the program. Dir. Vierra was in favor of mirroring the rebate program the Scotts Valley Water District currently offers. In addition, provide for low flow showerheads, faucet aerators including the rebate for the purchase of water saving devices. Dir. Rapoza felt that it would be necessary to put a cap on the amount of money the District allocates each year for the Rebate Program. Dir. Ross indicated that the Committee also discussed rebates for landscaping modifications. Manager Mueller indicated that Soquel Creek Water District and the City of Santa Cruz is moving forward with this type of rebate. Manager Mueller indicated that rebates for landscaping is very involved. It would be necessary to certify staff to perform audit inspections. Dir. Prather asked if

staff would prefer cash rebates or water bill credit rebates. Manager Mueller indicated that either one would be acceptable from an administrative point of view. Dir. Ross recommended rebates in the amount of \$100.00 for Low Flow Toilets, \$100.00 for High-Efficiency Clothes Washers, with no maximum rebate per account, and a budgetary cap of \$25,000.00 per year. In addition, the District will supply low flow showerheads and faucet aerators to customers, at no charge.

Dir. Prather would like the District to consider monitoring historic water use relative to landscaping. Manager Mueller indicated that other agencies are moving forward with implementing rebates for irrigation timers with precipitation monitors. Once again, Manager Mueller indicated that this direction is staff intensive. Dir. Ross directed staff to explore joint education with other agencies, including the landscape rebate as an additional project.

Motion was made by Dir. Ross to have staff bring back a resolution to the March 6, 2003 Board of Directors meeting for implementation of a Water Conservation Rebate Program. The Water Conservation Rebate Program will approve a \$100.00 water bill credit rebate for Ultra Low Flow Toilet purchases, \$100.00 water bill credit rebate for High-Efficiency Clothes Washer purchases, a \$25,000.00 budgetary cap per year (pro rated for the current fiscal year), with no maximum rebate per account. Also, the District will provide low flow showerheads and faucet aerators to District customers, at no charge. In addition, staff was directed to explore joint conservation education projects with other agencies.

ROLL CALL:

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

Gordon Stewart was present and stated that he has extensive experience with Rebate Programs. Mr. Stewart feels that most rebate requests are fraudulent. He recommended the District come up with an approved list of contractors for the installation of the Low Flow Toilets.

Janet Laidlaw was present and resented the fact that the water District might tell her how to use her water. She recommended this issue be included in the Education Program.

Lisa Rudnick was present and asked the Board if they could back up to the "Interested Citizens" item on the agenda since a lot of people were present to discuss the Education Program. Dir. Rapoza indicated that this item would be discussed under Agenda Item 9-Manager's Reports.

Michael from South County was present. Michael indicated that he does not live in District, but would like to ask if the District Manager and the Board members were familiar with the Sierra Club Report, Sustainable Development and Agenda 21. Michael encouraged staff and the Board to familiarize themselves with these issues.

c. Authorization to Purchase Vehicles

Manager Mueller reported that the Fiscal Year Budget 2002/2003 provides for the replacement of three (3) vehicles totaling \$81,000.00. Staff will utilize the State of California Purchasing System (CMAS). In the event specified vehicles are not available through CMAS, staff will negotiate purchase where vehicles are available.

Motion was made by Dir. Ross to approve Resolution No. 25 (02-03) Authorization to Purchase Vehicles.

ROLL CALL:

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

d. Bear Creek Road Mainline Leak of September 28, 2002
Bear Creek Road Waterline Replacement Project

Manager Mueller and Director of Operations Rogers presented information to the Board regarding a mainline leak on Bear Creek Road on September 28, 2002. Staff completed repairs on this leak on September 30, 2002. In addition, staff informed the Board on the Bear Creek Road Water Mainline Replacement Project. This project is scheduled for completion Fall 2004.

REPORTS:

a. Manager

(1) Bill List through February 20, 2003

Motion was made by Dir. Ross to approve the Bill List in the amount of \$138,670.47.

ROLL CALL:

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

(2) Cash Flow January 2003

The Board received the Cash Flow January 2003.

(3) Investment Report Period Ending January 31, 2003

The Board received the Investment Report Period Ending January 31, 2003.

(4) Department Status Reports

The Board received the Department Status Reports.

(5) Committee/Director Reports (Oral)

Dir. Vierra reported on the Education Committee meeting of February 13, 2002. Dir. Vierra reported that the Committee would meet again on February 26, 2003 to fine-tune the Application Guidelines and Scholarship Program Grants. Dir. Ross stated that this group was very efficient and hard working.

Pat Dugan was present and asked Dir. Rapoza for clarification on Water Codes that were cited at the meeting. Legal Counsel Hynes will explore the Water Code sections and have information available before the next Education Committee Meeting.

Lisa Rudnick was present to oppose the idea of an Education Program and request clarification on meeting dates cited at the last Education Committee Meeting. In addition, Ms. Rudnick suggested that minutes be taken at the Education Committee Meetings.

Janet Laidlaw was present to oppose the Education Program.

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

ADJOURNMENT TO CLOSED SESSION:

Dir. Rapoza adjourned the meeting to closed session at 9:26 p.m. to approve the Minutes of the Closed Session Meeting of February 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 and to Confer with Real Property Negotiator, Property: APN 81-361-02, Negotiating Parties: James Mueller, District Manager and Ikey Little, Under Negotiation: Price and Payment Terms.

RECONVENE TO OPEN SESSION TO REPORT ACTIONS TAKEN:

- a. Minutes of the Closed Session Meeting of February 6, 2003

Motion was made by Dir. Rapoza to approve the Minutes of the Closed Session Meeting of February 6, 2003.

ROLL CALL:

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

- 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.

- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Property: APN 81-361-02

Negotiating Parties: James Mueller, District Manager and Ikey Little
Under Negotiation: Price and Payment Terms

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 10:15 p.m.

Kelly Stephens
District Secretary