

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

November 4, 2004

The regular meeting of the Board of Directors of the San Lorenzo Valley Water District was called to order by Dir. Ross on Thursday, November 4, 2004 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:30 p.m.

CONVENE MEETING/ROLL CALL:

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

MINUTES:

- a. Minutes of the Regular Meeting of October 21, 2004

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of October 21, 2004, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS:

Glenn Lyons, FLOW representative was present to address the Board. Mr. Lyons encouraged the Board to get a table for the upcoming FLOW dinner.

Gordon Stewart was present to address the Board. Mr. Stewart thanked Dir. Ross and Dir. Nelson for running a clean campaign. Mr. Stewart also would like to see the Board develop a program for people living in remote areas to have water tanks for fire protection.

The Board directed the staff to schedule an Environmental Committee meeting to flush out ideas and put together an outline for the Board.

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA: None

11/04/04

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. Refinancing of San Lorenzo Valley Water District Certificates of Participation (Water System Improvement Projects), Series 1998

Manager Mueller stated that on January 7, 1999 the Board approved the issuance of Certificates of Participation (COP) in the sum of \$2,850,000.00 to finance twelve (12) capital improvement projects. Manager Mueller stated that the District has an opportunity to consider refunding the issuance and drop the rate from 5.43% to 4.25%. In addition, the refunded issuance would not involve private placement.

Ray Haight, District Bond Counsel was present and congratulated the Board on their successful reelection. Mr. Haight stated that the effective savings on the Refunding Agreement would be approximately \$230,000.00. Mr. Haight stated that the same covenants are in the COP's as in the Refunding Agreement.

Marc Stocks, Bond Underwriter was present and stated that there is no prepayment penalty for the current COP issuance and that this Refunding Agreement is very attractive from the District's standpoint.

Gordon Stewart stated that it sounded like a very good deal and the District could not go wrong.

Motion was made by Dir. Rapoza to approve Resolution No. 09 (04-05) Resolution of Intention of the Board of Directors of the San Lorenzo Valley Water District Declaring its Intention to Refund Remaining Outstanding Principal Balance of the San Lorenzo Valley Water District Certificates of Participation (Water System Improvement Projects), Series 1998, Dated as of February 4, 1999, by means of a Refunding Payment Agreement to be Privately Placed.

ROLL CALL:

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

Motion was made by Dir. Rapoza to approve Resolution No. 10 (04-05) Resolution of Intention of the Board of Directors of the San Lorenzo Valley Water District Approving and Authorizing Execution and Delivery of a Form of Refunding Payment Agreement to Refund Remaining Outstanding Principal Balance of the San Lorenzo Valley Water District Certificates of

Participation (Water System Improvement Projects), Series 1998, Dated as of February 4, 1999, the Refunding Payment Agreement to be Privately Placed; Approving the Form of a Placement Agent Contract, a Special Counsel Agreement, and an Escrow Agreement; and Authorizing and Directing the Taking of Certain other Actions in Connection Therewith.

ROLL CALL:

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

b. Agreement for Water Service; APN 089-441-34

Manager Mueller stated that on May 18, 2004 the District received a request from Mr. Manuel Centeno for water service to an existing single family home at APN 89-441-34, located at 575 Ralston Ridge in Boulder Creek. Manager Mueller stated that in the past, the District has authorized long service line agreements where future water mainline extensions were not likely to be constructed.

Motion was made by Dir. Vierra to approve Resolution No. 11 (04-05) Agreement for Water Service; APN 089-441-34.

ROLL CALL:

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

c. Request for Waiver of Formal Bidding Procedure for the Purchase and Installation of Solar Photovoltaic System, Bear Creek Estates Wastewater Facility

Manager Mueller stated that the District is in the process of upgrading the Bear Creek Estates Wastewater Treatment Facility. As part of the upgrade project, the District procured the services of a professional civil engineer from Alta-Main Construction to provide a feasibility analysis for incorporation of solar energy at the Bear Creek Estates Wastewater Treatment Facility. The preliminary feasibility analysis indicated that a proposed 5kW grid-intertie solar photovoltaic system could be cost effectively incorporated into the Bear Creek Wastewater Treatment Plant upgrade project. The estimated cost for the “design build” project is \$45,500.00. Alta-Main Construction would submit an application to the California Energy Commission Emerging-Renewables Buy Down Rebate Program to obtain an interconnection agreement for net energy metering for solar electric generating facilities from PG&E. The California Energy Commission’s buy down would be \$14,426.00 dollars. The estimated net

cost to the District for the “design build” project would be \$31,074.00. Manager Mueller stated that the energy savings would be approximately \$65,000.00 over a 25 year period. Staff reviewed cost proposals and assured the Board that this is a very competitive rate.

Motion was made by Dir. Rapoza to approve Resolution No. 12 (04-05) Request for Waiver of Formal Bidding Procedure for the Purchase and Installation of Solar Photovoltaic System, Bear Creek Estates Wastewater Facility.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending November 4, 2004

Motion was made by Dir. Rapoza to approve the Bill List Period Ending November 4, 2004 in the amount of \$118,340.19, as amended.

ROLL CALL:

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

(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):

Manager Mueller reported that the joint meeting with Scotts Valley Water District was not convened due to lack of quorum. Scotts Valley Water District convened their meeting and discussed growth pressures, the process of making computer models more accurate and advising Spring Lakes Mobile Home Park to use recycled water.

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

ADJOURNMENT TO CLOSED SESSION:

Dir. Ross adjourned the meeting to closed session at 8:31 p.m. to approve Minutes of the Closed Session Meeting of October 21, 2004 and to Confer with Legal Counsel – Anticipated Litigation-Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9-One (1) Potential Case and to confer with Real Property Negotiator Pursuant to California Government Code 54956.8, Property: APN 81-204-03 and -07, generally located at 12788 Highway 9, Boulder Creek, CA. Agency Negotiator: James Mueller, District Manager; Negotiating Parties: Albert and Melva Johnson; Under Negotiation: Price and Payment Terms and for Public Employee Performance Evaluation Pursuant to California Government Code Section 54957, Title: District Manager.

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

a. Minutes of the Closed Session Meeting of October 21, 2004

Motion was made by Dir. Ross to approve the Minutes of the Closed Session Meeting of October 21, 2004, as presented.

ROLL CALL:

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

b. CONFERENCE WITH LEGAL COUNSEL -
ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9:
One (1) Potential Case

No reportable action.

- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Pursuant to California Government Code 54956.8
Property: APN 81-204-03 and -07, generally located at 12788 Highway 9,
Boulder Creek, CA.
Agency Negotiator: James Mueller, District Manager
Negotiating Parties: Albert and Melva Johnson
Under Negotiation: Price and Payment Terms

No reportable action.

- d. PUBLIC EMPLOYEE PERFORMANCE EVALUATION pursuant to
California Government Code Section 54957
Title: District Manager

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 8:46 p.m.

Kelly Stephens
District Secretary