

**SAN LORENZO VALLEY WATER DISTRICT  
BOARD MEETING MINUTES**

March 6,, 2014

7:30 p.m.

**CONVENE MEETING/ROLL CALL:**

Pres. Bruce convened the meeting at 7:30 p.m. Roll call showed Dirs. Brown, Bruce, Prather, Rapoza were present. Dir. Vierra was absent. District Manager Mueller, Director of Operations Rogers, and Legal Counsel Hynes were also present.

Motion made by Dir. Rapoza to excuse the absence of Dir. Vierra for the March 6, 2014 Board of Directors meeting.

**ROLL CALL:**

Ayes:	Brown, Bruce, Prather, Rapoza
Noes:	None
Abstain:	None
Absent:	Vierra

**MINUTES:**

**MINUTES OF THE REGULAR MEETING OF FEBRUARY 20, 2014**

Dir. Prather stated that the minutes as presented needed correction. Dir. Prather stated that he was absent for the February 6, 2014 meeting, however the minutes state that he made the motion to approve the minutes of the February 6, 2014 Board of Directors Meeting. District Manager Mueller stated that the correction should show Dir. Rapoza making the motion to approve the minutes of February 6, 2014 Board of Directors Meeting.

Motion made by Dir. Prather to approve the minutes of the February 20, 2014 Board of Directors Meeting as amended to state "Motion made by Dir. Rapoza to approve the minutes of the February 6, 2014 Board of Directors Meeting".

**ROLL CALL:**

Ayes:	Brown, Bruce, Rapoza, Prather
Noes:	None
Abstain:	None
Absent:	Vierra

**ADDITIONS AND DELETIONS TO AGENDA:**

District Manager Mueller requested an addition to the Agenda:  
**DISTRICT INVESTMENTS.**

District Manager Mueller stated that since the posting of the agenda, developing political actions in Crimea were potentially affecting the District's investment portfolio. District Manager

Mueller stated that due to the absence of Dir. Vierra, the Board would need to determine by a unanimous vote to add the proposed additional item to the agenda.

Motion made by Dir. Brown to add New Business Item 8(d) District Investments to the agenda, that there is need to take immediate action, and that the need to take action came subsequent to the posting of the agenda.

**ROLL CALL:**

Ayes:	Bruce, Prather, Rapoza, Brown
Noes:	None
Abstain:	None
Absent:	Vierra

**ORAL COMMUNICATIONS**

Bruce Holloway, Boulder Creek, addressed the Board regarding the Lompico County Water District Emergency Intertie Agreement.

**WRITTEN COMMUNICATIONS:** None.

**CONSENT AGENDA:** None.

**UNFINISHED BUSINESS:**

**DROUGHT MANAGEMENT PLAN**

District Manager Mueller stated that the District, like much of California, is experiencing unprecedented dry conditions. District Manager Mueller introduced the District's consultant hydrologist Nick Johnson who provided the Board with a presentation of the District's water supply and potential impacts from the current drought conditions. Pres. Bruce requested staff to made Mr. Johnson's PowerPoint presentation available on the District's website.

District Manager Mueller stated that at the February 20, 2014 Board of Directors Meeting staff recommended that in response to the current drought conditions the District convert from bi-monthly to monthly billing for all customers. Director of Operations Rogers stated that the advantages of monthly meter reading were a more timely feedback to customers regarding their water usage, especially during the critical summer months, and that monthly meter readings will be needed if the District is required to impose water rationing. Director of Operations Rogers stated that the transition from bi-monthly to monthly meter reading and billing would increase District costs by approximately \$80,000 a year. Director of Operations Rogers stated that staff was recommending that the District convert to monthly meter reading effective May 1, 2014; and, that the monthly meter reading program would be reviewed in January 2015. Several members of the public stated that they were not in favor of monthly meter reading due to the associated increase in cost.

Motion made by Dir. Brown to approve the conversion from bi-monthly to monthly meter reading and billing effective May 1, 2014.

**ROLL CALL:**

Ayes: Bruce, Prather, Rapoza, Brown  
Noes: None  
Abstain: None  
Absent: Vierra

**NEW BUSINESS:**

**VALLEY WOMEN'S CLUB REQUEST TO USE DISTRICT PROPERTY AT 12788  
HIGHWAY 9, BOULDER CREEK**

District Manager Mueller stated that by correspondence dated February 10, 2014 the District had received a request from the Valley Women's Club for the use of the Johnson Building property located at 12788 Highway 9, Boulder Creek on Saturday, June 14, 2014 for their Annual Scholarship Rummage Sale. District Manager Mueller stated the Valley Women's Club would provide the District with a certificate of insurance.

Motion made by Dir. Rapoza to approve the request from the Valley Women's Club to use the District's property at 12788 Highway 9, Boulder.

**ROLL CALL:**

Ayes: Brown, Bruce, Prather, Rapoza  
Noes: None  
Abstain: None  
Absent: Vierra

**REQUEST FOR VEHICLE PURCHASE; WAIVER OF FORMAL BIDDING PROCEDURES**

Director of Operations Rogers stated District Vehicle Number 164 had been stolen from in front of the assigned on-call employee's home on February 19, 2014. Director of Operations Rogers was requesting authorization to purchase a new replacement vehicle for Vehicle Number 164. In addition, Director of Operations Rogers was requesting the Board of Directors to authorize a waiver of formal bidding procedures and direct staff to negotiate the purchase of the new vehicle. Mark Lee, Ben Lomond, stated that the District should consider purchasing a used vehicle. Peter Lang, Boulder Creek, stated the District should consider investigating comprehensive insurance in the case of a disaster.

Motion made by Dir. Prather to approve Resolution No. 24 (13-14) Authorization to Purchase Replacement Vehicle for District Truck No. 164.

**ROLL CALL:**

Ayes: Brown, Bruce, Rapoza, Prather  
Noes: None  
Abstain: None  
Absent: Vierra

## ANNUAL BUDGET FISCAL YEAR 2013-2014

District Manager Mueller stated that staff had completed a Draft Budget for Fiscal Year 2013-2014. District Manager Mueller stated that the Finance Committee had reviewed the Draft Budget at their February 14, 2014 and March 6, 2014 meetings. District Manager Mueller stated that the Draft Budget totaled \$6,354,000 in proposed revenues, and \$6,207,900 in proposed expenditures, which resulted in a net income of \$146,100. Further, District Manager Mueller recommended that the District's Reserve Fund Policy should be referred to the Finance Committee for a review and analysis of each of the designated reserve funds. Dir. Rapoza requested that the Draft Budget be amended to include an additional \$40,000 for environmental review of a proposed Quail Hollow groundwater well.

Motion made by Dir. Rapoza to approve Resolution No. 25 (13-14) Adoption of Budget Fiscal Year 2013-2014, as amended to include an additional \$40,000 for environmental review of the proposed Quail Hollow groundwater well.

### ROLL CALL:

Ayes:	Brown, Bruce, Prather, Rapoza
Noes:	None
Abstain:	None
Absent:	Vierra

## DISTRICT INVESTMENTS

District Manager Mueller stated that the Finance Committee had discussed the impacts of the current political situation in Crimea on the District's investment portfolio at the Finance Committee earlier this morning. Dir. Brown stated that the District should take the opportunity to reduce its exposure by selling off a portion on the stepped investments at this time. Dir. Rapoza stated that the District Manager has the full authority to execute any sells required. The Board directed the District Manager to proceed with the limited sell of investments.

## **GENERAL MANAGERS REPORTS:**

Bill List Period Ending March 6, 2014.

Motion made by Dir. Prather to approve the Bill List for the period ending March 6, 2014.

### ROLL CALL:

Ayes:	Brown, Bruce, Rapoza, Prather
Noes:	None
Abstain:	None
Absent:	Vierra

Department Status Reports.

The Board received the Department Status Reports.

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

Dir. Rapoza reported on Special District LAFCO fees for Fiscal Year 2014-2015.

**INFORMATIONAL MATERIALS:** None.

**ADJOURNMENT TO CLOSED SESSION:**

Pres. Bruce adjourned the regular meeting to Closed Session at 10:37 p.m. for the purpose of:

**CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION**

Existing litigation pursuant to subdivision (a) of Section 54956.9 California Government Code.  
One (1) case.

Charlene DeBert vs. San Lorenzo Valley Water District (CISVI176927)

**CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 California Government Code.

One (1) potential case.

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Conference with Real Property Negotiator pursuant to California Government Code Sections 54956.8 and 54954.2(b)(2).

Property: APN 090-194-14 generally located at 1130 Rebecca Drive, Boulder Creek, California

Agency Negotiator: James Mueller, District Manager

Negotiating Party: Coldwell Banker, Los Gatos

Under Negotiation: Price and Payment Terms

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Public employee performance evaluation pursuant to California Government Code Section 54957(b)(1).

Employee: District Manager

**RECONVENE TO OPEN SESSION:**

Pres. Bruce reconvened the regular meeting at 11:00 p.m.

**REPORT ACTIONS TAKEN IN CLOSED SESSION:**

**CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION**

Existing litigation pursuant to subdivision (a) of Section 54956.9 California Government Code.  
One (1) case.

Charlene DeBert vs. San Lorenzo Valley Water District (CISVI176927)

No reportable actions.

CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 California Government Code.

One (1) potential case.

No reportable actions.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Conference with Real Property Negotiator pursuant to California Government Code Sections 54956.8 and 54954.2(b)(2).

Property: APN 090-194-14 generally located at 1130 Rebecca Drive, Boulder Creek, California

Agency Negotiator: James Mueller, District Manager

Negotiating Party: Coldwell Banker, Los Gatos

Under Negotiation: Price and Payment Terms

No reportable actions.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Public employee performance evaluation pursuant to California Government Code Section 54957(b)(1).

Employee: District Manager

No reportable actions.

**ADJOURNMENT:**

Pres. Bruce adjourned the meeting at 11:01 p.m.

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James A. Mueller  
Acting District Secretary