

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

November 19, 2015

6:00 p.m.

CONVENE MEETING/ROLL CALL:

President Bruce convened the meeting at 6:06 p.m.

Roll call showed Dirs. Hammer, Baughman, Ratcliffe and Brown were present. District Manager Lee, Director of Operations Rogers and Legal Counsel Hynes were also present.

ADJOURNMENT TO CLOSED SESSION:

President Bruce adjourned to closed session at 6:08 p.m.

RECONVENE TO OPEN SESSION:

Pres. Bruce reconvened the meeting to open session at 7:00 p.m. and read the SLVWD Mission Statement.

Roll call showed President Bruce, Dirs. Hammer, Baughman, Brown and Ratcliffe were present. District Manager Lee, Director of Operations Rogers and Legal Counsel Hynes were also present.

REPORT ACTIONS TAKEN IN CLOSED SESSION:

President Bruce announced no reportable actions.

ADDITIONS AND DELETIONS TO AGENDA: None

MINUTES:

Director Brown made a motion to approve the minutes of the November 5, 2015.

ROLL CALL:

Ayes: Hammer, Bruce, Baughman, Ratcliffe, Brown

Noes:

Abstain:

Absent:

ORAL COMMUNICATIONS:

John Fasolas, Felton, suggested that the room be expanded to accommodate the popularity of the SLVWD Board meetings.

Bruce Holloway, Boulder Creek, said that the District is in violation of the Felton permit for water use.

Charlene DeBert, Boulder Creek, said that the District is also in violation of government code 4216 - excavation safety code.

WRITTEN COMMUNICATION:

President Bruce noted that there is a letter from Mr. Lande in the packet.

CONSENT AGENDA:

9a EDUCATION PROGRAM ADVISORY COMMISSION (EPAC)

Director Brown made a motion to approve the Consent Agenda.

ROLL CALL:

Ayes: Hammer, Bruce, Baughman, Ratcliffe, Brown

Noes:

Abstain:

Absent:

UNFINISHED BUSINESS:

10a PROP 218 THIRD PARTY ARBITER

District Manager Lee explained that staff attempted to find a 3rd party arbiter as requested by the Board but was not able to find anyone to monitor and verify the acceptance of protests at the Public Hearing. Staff recommends that the Board appoint a member of staff to accept the protests.

Director Baughman said that Board Secretary, Holly Morrison, would be a good selection.

Director Brown agreed.

President Bruce agreed and noted that the Board Secretary is usual for this task.

Director Baughman made a motion that Board Secretary, Holly Morrison, accept the protests.

ROLL CALL:

Ayes: Hammer, Brown, Bruce, Ratcliffe, Baughman

Noes:

Abstain:

Absent:

NEW BUSINESS:

11a PUBLIC HEARING; PROPOSED INCREASE IN WATER RATES

President Bruce called the Public Hearing to order and explained the process for the meeting.

District Manager Lee presented the Proposed Increase in Water Rates - Drought Surcharge.

Lee Hill, Felton, formerly Olympia Mutual Water. He said his water doesn't smell good and doesn't taste good. Has had many instances of water pressure problems. Doesn't feel he's being served by SLVWD.

Harry Allen, Ben Lomond, questioned if there will be an end date for the drought surcharge, questioned the cost of all of the notices sent out, questioned if Lompico brings water as well as money to the District. He also said that we have a better manager, speechwise than we had before.

Becky Fitzgerald, Ben Lomond, upset that there is no end date associated with the drought surcharge, questioned unforeseen consequence of water conservation.

Bonnie Purse (sp?), should be charged to raises. Once the surcharge comes off there can be raises, but not retroactive.

Martin Capernick (sp?), Ben Lomond, said we should work within the budget. Regarding the fish ladder, you should have checked out the fact that it needed repair, due diligence.

Karen Brown, Boulder Creek, for decades the water has gone up and down but the rates only go up. What is the plan for the El Nino?

Ryan Bingham, Boulder Creek, questioned if there is a good winter will we get our water back in one year.

Karen Hill, Ben Lomond, questioned what we are doing administratively to cut costs. Why are we billing monthly?

Nanda Wilson, Felton, who is limiting Scotts Valley water use.

Charlene DeBert, Boulder Creek, questioned when we will be hiring new people. Questioned why we are paying our attorney \$15,000 per month.

Lynn Moritz, Felton, doesn't think the District has looked hard enough for ways to cut costs. Questioned if Board members are paid.

Michael Menard, Felton, questioned how much money the District has in reserve.

District Manager Lee was asked to recap and answer questions that were raised.

- End date to Drought Surcharge - rescinded at any time when water sources have returned to pre-drought levels, District adopts new rates and charges sufficient to cover costs, current projects are completed, other revenue sources are identified. Dir. Hammer noted that the Board has had many discussions regarding this information that is available to the public.
- Lompico is bringing water to the District if they merge with us. They will be bringing their water rights for Lompico Creek and wells. They will also be bringing 4 employees.
- El Nino will probably do damage to our facilities, resulting in increased costs. Drought recovery will take at least 3 years.

Karen Brown, Boulder Creek, said that this increase will be a hardship.

Charlene DeBert, Boulder Creek, questioned if the State will be paying the District for the interties.

President Bruce closed the Public Hearing.

Board Secretary, Holly Morrison, said that 35 unverified protests were received that evening. Prior to that evening 97 validated protests were received by the District.

11b DROUGHT SURCHARGE

District Manager Lee described Resolution 19 (15-16) Drought Surcharge and requested direction from the Board.

Dir. Ratcliffe requested reference to specific projects in the resolutions.

Director Baughman suggested that the Board add a specific time to revisit the drought surcharge in the resolution.

Director Brown suggested that the surcharge be revisited in one year.

Steve Yerkovich (sp?), Boulder Creek, suggested that we tie the drought surcharge to the hydrology report. He also suggested that we research reduced rates from PGE for the people on fixed income.

John Fasolas, Felton, thanked the Board for their efforts.

Director Hammer made a motion to approve Resolution 19 (15-16) as amended.

ROLL CALL:

Ayes: Brown, Bruce, Baughman, Ratcliffe, Hammer

Noes:

Abstain:

Absent:

President Bruce thanked the public for their input.

11c BILL LIST FOR PERIOD ENDING NOVEMBER 19, 2015

Director Hammer made a motion to approve the November 19, 2015 Bill List.

ROLL CALL:

Ayes: Brown, Bruce, Baughman, Ratcliffe, Hammer

Noes:

Abstain:

Absent:

11d POSSIBLE CANCELLATION OR RESCHEDULING OF DECEMBER 3, 2015
BOARD OF DIRECTORS MEETING

Director Hammer made a motion to cancel the December 3, 2015 and hold a Special Board Meeting on December 9, 2015 at 7:00 pm.

ROLL CALL:

Ayes: Brown, Bruce, Baughman, Ratcliffe, Hammer

Noes:

Abstain:

Absent:

GENERAL MANAGER REPORTS:

District Manager Lee said that he had not completed the Q & A from the last meeting.

He shared the highlights from the Finance Status Report.

COMMITTEE/DIRECTOR REPORTS: None

ADJOURNMENT:

President Bruce adjourned the meeting at 9:12 p.m.

Drought Surcharge Public Hearing

November 19, 2015
San Lorenzo Valley Water District



Proposition 218

The “Right to Vote on Taxes” Initiative

- Constitutional amendment passed by voters in 1996.
- **Property** related fee or charge
- Notice provided to ALL parcels within the District, regardless of service, based on the last County assessed tax roll.
- Notice provided to Owner AND Site address. Two notices per parcel. Ensures owner and tenant have been informed.

Proposition 218 (cont.)

District serves 7,444 unique parcels.

Protest requires 50% + 1.

(3,722 + 1 = 3,723 protests required)

Reasons Given for Protests Received by Mail

- Personal
- District Governance/Management
- Drought

Reasons Given for Protests, Personal

- Customer on fixed income
- Remove all fluoride in the water

Reasons Given for Protests, District Governance/Management

- Sell Johnson property. No new offices. Don't buy new vehicles.
- Run Company more responsibly. Should have had adequate reserves. Run company more like a business and less like a government. Look at water management projects and wages first. Did not use funds already provided wisely.
- Need a plan that works for community's interest.
- Already high costs because of punitive regulations. Rates have been raised again and again.
- Customers should have access to financial statements and an updated list of approved projects.
- Join the computer age and do this electronically.
- Taking over Zayante Water District. Bought Lompico Water District.

Reasons Given for Protests, Drought Related

- 'Punish' or 'penalize' people for conservation.
- No end provided for the drought surcharge. Finite expenditures do not warrant permanent funding.
- Increase or surcharge only those higher water consumers.
- Should have had the exact opposite of a 'rainy day' fund. Reserve fund for drought.
- Usage based surcharge will create a 'death-spiral'.
- Sends the wrong message regarding conservation.