

**SAN LORENZO VALLEY WATER DISTRICT
BOARD MEETING MINUTES
September 17, 2015
6:00 p.m.**

CONVENE MEETING/ROLL CALL:

President Bruce convened the meeting at 6:00 p.m.

Roll call showed Dirs. Baughman, Ratcliffe, Brown and Hammer 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 6:02 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. Baughman, Brown, Hammer 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:

District Manager Lee noted that item 11e was added to the agenda on Monday, September 14, 2015.

MINUTES:

Director Brown made a motion to approve the minutes of the September 3, 2015.

ROLL CALL:

Ayes:	Hammer, Ratcliffe, Bruce, Baughman, Brown
Noes:	None
Abstain:	None
Absent:	None

ORAL COMMUNICATIONS:

Charlene DeBert, Boulder Creek, said that today is the 3rd anniversary of Rick Rogers coming to her property and being asked to leave. Ten days later he came back with the sheriff and had her arrested.

Bruce Holloway, Boulder Creek, reminded the Board that at a BoD meeting in February they agreed to revisit bi-monthly billing in September or October. He also asked if there is going to be billing in tenths of a unit.

WRITTEN COMMUNICATION: None

CONSENT AGENDA:

Director Ratcliffe made a motion to approve the Consent Agenda.

ROLL CALL:

Ayes:	Hammer, Bruce, Brown, Baughman, Ratcliffe
Noes:	None
Abstain:	None
Absent:	None

UNFINISHED BUSINESS:

ASSOCIATION OF CALIFORNIA WATER AGENCIES-REGION 5 BOARD ELECTION

President Bruce noted that this item was previously brought before the Board.

District Manager Lee pointed out that there is a local individual named on the Board.

Director Baughman said that he won't vote for the slate for philosophical reasons.

President Bruce agreed that the process could be improved by including information and platforms of the individuals running for the Board.

Director Ratcliffe said that this is an advocacy organization. The individuals are not necessarily experts on "water", they are good at meetings and legislation. She likes the regional variation.

Director Hammer said that he thinks we must vote. ACWA sees the value in these people and that's enough for him.

Director Brown agreed that the Board must vote.

Director Ratcliffe said that she would like more information in the future.

Director Hammer made a motion to vote for the slate as recommended by the ACWA nominating committee.

ROLL CALL:

Ayes:	Ratcliffe, Bruce, Brown, Hammer
Noes:	Baughman
Abstain:	None
Absent:	None

NEW BUSINESS:

BILL LIST FOR PERIOD ENDING SEPTEMBER 17, 2015

Director Brown questioned the TPB Investment check for \$354,877.

President Bruce questioned the \$39,798 amount for PG&E.

Bruce Holloway, Boulder Creek, said that he knows what the TPB Investment check is a semi-annual check due March 1st and September 1st.

Director Brown made a motion to accept the Bill List for September 17, 2015.

ROLL CALL:

Ayes:	Hammer, Bruce, Baughman, Ratcliffe, Brown
Noes:	None
Abstain:	None
Absent:	None

LEAK DETECTION- FINAL REPORT

Director of Operations Rogers explained the Leak Detection process and final report.

President Bruce said that she thinks this a very good program. If we are going to ask our customers to conserve, we should do the same.

Mr. Rogers added that this is also a water quality issue.

Director Hammer requested that staff estimate the cost of staff time and materials for this project.

Director Brown said that this program is a blueprint for pipeline replacement.

Director Baughman said that it is very cost effective. He questioned if this will it be done again in three years for the whole system.

Mr. Rogers said that he was surprised that very few leaks were found in Felton.

President Bruce requested that staff research the fiscal impact of the entire project and fiscal savings.

Bruce Holloway, Boulder Creek, said that this is a terrific program and Dir. of Ops Rogers deserves all of the credit.

John Fasolas, Felton, said that he was curious about a smaller leak detection program in some of the areas where more leaks are found.

Director Hammer made a motion to accept the Leak Detection Final Report.

ROLL CALL:

Ayes:	Ratcliffe, Bruce, Brown, Baughman, Hammer
Noes:	None
Abstain:	None
Absent:	None

RESOLUTION OF APPRECIATION FOR SOQUEL CREEK WATER DISTRICT

District Manager Lee described the appreciation of the comfortable chairs and tables.

Director Ratcliffe said that the most important difference the furniture makes is the fact that the Board can see each other.

Director Hammer made a motion to approve the Resolution of Appreciation for Soquel Creek Water District.

ROLL CALL:

Ayes:	Ratcliffe, Bruce, Brown, Baughman, Hammer
Noes:	None
Abstain:	None
Absent:	None

PIPELINE CONSTRUCTION CREW

Dist. Mgr. described a recent project where SLVWD crew was able to complete a pipeline project for \$80/lineal ft. A recent contracted crew cost \$125/lineal ft. The District is looking at the logistics of hiring a crew to lay pipe. It would be part of the CIP project and all of the costs would be capitalized to putting pipe in the ground.

President Bruce noted that fiscal impact was discussed but she would like to know the fiscal benefit.

Dir. Brown questioned if the District can do this on a temporary basis?

Dist. Mgr. Lee said that would be a contractor.

Dir. Baughman questioned if we can mesh this with the likely crew we will need for Lompico.

Dist. Mgr. Lee said that this will be in addition to the Lompico staff needed. This is for replacing pipeline only.

Dir. Brown questioned if grants will be available.

Dir. Hammer said that the District has let the system disintegrate. We need to do a cost of service study and a Prop 218 process to raise money to rebuild this system. The price of cheap water is a faulty system and we can't continue to cut costs.

Dir. Brown said that he would like to see this project quantified.

John Fasolas, Felton, said that he thinks this is a really good idea. The cost will come down with the establishment of a construction crew. He said that the government will be interested the fire protection component of this project.

Charlene DeBert, Boulder Creek, questioned how soon the hiring plan for this project will be.

Dist. Mgr. Lee said that there are several things that need to happen first; a staffing study, CIP Program in place, a cost of service study, a rate study, etc.

Pres. Bruce said that there will be a prudent and public process.

SHORT TERM CONSTRUCTION LOAN

Dist. Mgr. Lee said that the District is having some cash constraints due to construction projects. He and the Finance Manager have been looking into short term construction loans. Because we are a public agency there are restrictions to the kind of line of credit we are allowed; it can only be for one year, the interest rate is 4 - 4 1/2 percent. The District has been floating Scotts Valley's portion of the Intertie 2 construction costs. 25% of the project is the responsibility of the District, 25% is the responsibility of Scotts Valley and 50% is to be paid by the State. Scotts Valley W.D. and SLVWD have discussed preliminary terms of 1% for \$1 million for 1 year. But in case that does not go through he is asking the Board to approve a line of credit loan for up to \$1 million for up to 1 year for up to 5% interest.

Dir. Brown noted that 5% is not the best rate, but if we need the money it has to be done.

Pres. Bruce noted that this is a line of credit, not cash.

Burce Holloway, Boulder Creek, said that he thought that 5% from a bank is high. He said he thinks that Santa Clara Valley Water District also has lots of money.

Dir. Baughman made a motion to approve a line of credit for \$1 million not to exceed 5% interest, and closing costs not exceed \$8,000 for a period not to exceed 1 year.

ROLL CALL:

Ayes:	Hammer, Ratcliffe, Bruce, Brown, Baughman
Noes:	None
Abstain:	None
Absent:	None

GENERAL MANAGER REPORTS:

District Manager Lee gave a brief explanation of the Finance Status Report.

Director of Operations Rogers shared highlights from the Operations Status Report.

COMMITTEE/DIRECTOR REPORTS:

Director Brown shared information from the 8.27.15 Finance Committee meeting.

President Bruce shared information from the 9.1.15 Facilities & Planning Committee meeting.

Director Ratcliffe shared information from the 9.8.15 Legislation Committee meeting.

ADJOURNMENT:

President Bruce adjourned the meeting at 8:56 p.m.