

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

June 4, 2015

6:00 p.m.

**CONVENE MEETING/ROLL CALL:**

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

Roll call showed Dirs. Baughman, Bruce, Ratcliffe and Brown were present. District Manager Lee and Legal Counsel Hynes were also present.

**ADDITIONS AND DELETIONS TO AGENDA:** None

**ADJOURNMENT TO CLOSED SESSION:**

President Bruce adjourned to closed session at 6:01 p.m.

**RECONVENE TO OPEN SESSION:**

Pres. Bruce reconvened the meeting to open session at 7:00 p.m.

Roll call showed Dirs. Baughman, Hammer, Brown and Ratcliffe were also present. District Manager Lee, Finance Manager Hill, Environmental Analyst and Legal Counsel Hynes were also present.

President Bruce read the Mission Statement for the San Lorenzo Valley Water District.

**REPORT ACTIONS TAKEN IN CLOSED SESSION:**

President Bruce announced no reportable actions.

**MINUTES:**

Director Ratcliffe made a motion to accept the minutes from the May 21, 2015 regular Board of Directors meeting.

**ROLL CALL:**

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

## **ORAL COMMUNICATIONS:**

John Fasolas, Felton, said that he thanks the District for quick response to a water leak. His neighbor was out of town but, due to the monthly billing, the District recognized extreme water usage indicating a leak and took care of the issue. He also noted that the signs catch your attention but he would like them to say “please”, to make the signs friendlier. Finally, Mr. Fasolas shared information with the Board regarding small turbines used to generate electricity in Portland, OR.

Mark Lee, Ben Lomond, said that he thinks that the Bear Creek Estates previous study is sufficient and the RFP for Bear Creek Estates should be scratched.

Julie Hendricks, Boulder Creek, shared handouts consisting of a letter from herself to the Board and published letters from Mark Lee and Bruce Holloway.

Bruce Holloway, Boulder Creek, said that he thinks that the Policy Manual says something about personal attacks. Mr. Holloway also said that the quote referred to by Ms. Hendricks was word for word what was said to him.

Charlene DeBert, Boulder Creek, said that she has been gone for 5 months and she appreciated the video by CTV to keep up with District meetings. She questioned if she is allowed run a campaign with her 3 minutes. Ms. DeBert also stated that SLVWD came on to her property and “stole stuff”.

President Bruce encouraged the public to stay focused on subjects that lie within the purview of the District. The Board cannot settle interpersonal disputes.

## **WRITTEN COMMUNICATION:**

President Bruce noted that there was a letter of thanks from Jane Orbuch, Science Teacher, San Lorenzo Valley High School.

**CONSENT AGENDA:** None

**UNFINISHED BUSINESS:** None

## **NEW BUSINESS:**

### **CLASSIC WATERSHED EDUCATION GRANTS**

Environmental Analyst Michelsen explained each of the 6 applicants that received grants and the process involved in granting the funds.

Carol Carson, a recipient of a grant for Watershed Nature Walks, explained what her grant will pay for.

District Manager Lee questioned the \$3,700 listed for bus parking in the Watershed Studies Program.

Jo Kenny, grant writer for the Santa Cruz City Schools, explained that the cost of the bus parking is so high because they cannot use large buses due to roads. She noted that the State Parks actually defers the charge.

John Fasolas, Felton, said that he supports these programs.

Director Baughman noted that the Watershed Studies Program was from outside of the San Lorenzo Valley.

Environmental Analyst Michelsen said that since the City of Santa Cruz gets their water from the San Lorenzo River the students play a critical role in conserving water and need to be taught where their water comes from.

Director Hammer noted that people from the City of Santa Cruz use our watershed for recreation and should be made aware of their effects on the watershed.

Pres. Bruce said that at one time she was on the Watershed Grant Commission in the past and she considered this dilemma. She decided that it is a good investment because they come back.

Jo Kenny noted that there is pre and post testing to make sure that the students understand where their water comes from. The students then encourage their families to conserve water.

Director Brown made a motion to approve Resolution #50 (14-15) Approval of Education Program Advisory Commission Funding Recommendations for 2015 Classic Watershed Grant Proposals.

ROLL CALL:

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

BILL LIST FOR PERIOD ENDING JUNE 4, 2015.

Director Baughman made a motion to accept the Bill List for June 4, 2015 in the amount of \$332,260.

ROLL CALL:

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

Absent: None

President Bruce thanked the Commission for their efforts.

## 2015 ELECTION SDRMA BOARD OF DIRECTORS

The Board voted for three of four nominees by showing thumbs up or down.

Director Ratcliffe made a motion to vote for Swan, Wright and Seifert-Raffelson through Resolution No. 49 (14-15).

### ROLL CALL:

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

## DROUGHT RATE MODIFICATION STUDY

District Manager Lee explained that the 2013 rate study did not take the drought into consideration, resulting in a \$450,000 shortfall for FY 14/15 and projected to continue through FY 15/16.

The Board discussed the possibilities of going to just 2 tiers or perhaps no tiers for water rates.

President Bruce questioned how long this would be in effect.

Dist. Mgr. Lee said that his intention is it would be in effect until we have another rate study or until we can look at the issue in greater detail.

Bruce Holloway, Boulder Creek, questioned if Mr. Pavletic is being paid. He also said that this item was captioned as Drought Surcharge on the agenda, so this discussion wasn't agendized.

Marc Hynes, District Counsel, noted that a Prop 218 process will be necessary.

Mark Lee, Ben Lomond, suggested that we have a giant community workshop to get the community involved in the process.

John Fasolas, Felton, suggested that the Board add language to give the Board authority to deal with drought without having to work with the Prop 218 process.

Dist. Mgr. Lee suggested that the Board approve a contract with Mr. Pavletic up to \$15,000.

Director Hammer made a motion to give District Manager Lee to go ahead with a contract for a rate study not to exceed \$15,000.

**ROLL CALL:**

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

**CALPERS LUMP SUM PAYMENT**

Dist. Mgr. Lee described the Lump Sum Payment to CalPERS. We can save \$3,500 by paying up front to CalPERS rather than paying interest over the year.

Finance Manager Hill said that the Lump Sum would have to be paid before the first payroll in July to save the \$3,500.

Mark Lee, Ben Lomond, suggested that we make the payments in increments.

Bruce Holloway, Boulder Creek, if the District is down to their last \$100,000 then the District is in worse shape than he thought.

Director Hammer made a motion to approve the lump sum payment to CalPERS providing the cash flow is appropriate in the timeframe.

**ROLL CALL:**

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

**ANNUAL BUDGET FISCAL YEAR 2015- 2016**

President Bruce appreciated the many opportunities to look at the budget.

District Manager Lee described this item.

The Board discussed the budget with interjections from the public. Nothing was cut from the budget but it was decided that it would go back to the Finance Committee for a special meeting dedicated to the budget exclusively. The budget will then be brought back to the Board at the regular Board of Directors meeting on June 18, 2015.

**GENERAL MANAGER REPORTS:**

President noted that there are manager reports available for reading, for the sake of brevity, please read them on your own time.

Gene Ratcliffe thanked the Board and staff for the kind thoughts and flowers at the loss of her father. Her mother was particularly touched by the flowers.

**ADJOURNMENT:**

President Bruce adjourned the meeting at 9:08 p.m.

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Holly B. Morrison  
District Secretary