

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

April 16, 2015

6:00 p.m.

CONVENE MEETING/ROLL CALL:

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

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

ADDITIONS AND DELETIONS TO AGENDA:

District Manager Lee requested the addition of item: 3d
CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956 California Government Code.
One (1) Potential Case.

Added to the agenda by unanimous vote.

ADJOURNMENT TO CLOSED SESSION:

President Bruce adjourned to closed session at 6:04 p.m.

RECONVENE TO OPEN SESSION:

Pres. Bruce reconvened the meeting to open session at 7:02 p.m. and read the Mission Statement for the San Lorenzo Valley Water District.

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

REPORT ACTIONS TAKEN IN CLOSED SESSION:

There was no reportable action.

MINUTES:

Director Ratcliffe made a motion to accept the minutes from the March 19 and April 2, 2015 Board of Directors meetings.

ROLL CALL:

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

ORAL COMMUNICATIONS:

Peter Lang, Boulder Creek, questioned when the red tagged generator outside the main SLVWD office would be removed. He also noted the building improvement and questioned ADA compliance and fire protection in the office.

WRITTEN COMMUNICATION:

President Bruce noted the 3 items in written communication.

CONSENT AGENDA:

Director Ratcliffe made a motion to accept the Quarterly Leak Adjustment Report and the Quarterly Water Conservation Credit Program Report.

ROLL CALL:

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

UNFINISHED BUSINESS:

BULK WATER RATES - PUBLIC HEARING

At 7:15 p.m. President Bruce called the Public Hearing for the Bulk Water Rates to order.

District Manager Lee explained the proposed Bulk Water Rate Increase as stated in the memo from the District Manager and approved by the Finance Committee.

Director Hammer questioned the end user of Bulk Water and suggested that we monitor who is buying and using SLVWD water.

District Manager Lee said that Bulk Water purchasers are on the honor system. They fill out a form stating the use for the water but there is no policing of the system. He said that the proposed increase is better than what we have now and suggested that we go forward with the current proposal and discuss this more after we have information on the effect of the increase.

Peter Lang, Boulder Creek, said that he feels very strongly about this. Director Hammer had a good idea.

Mark Lee, Ben Lomond, agreed with Mr. Lang and Director Hammer. He recommended that the Board refuse this Resolution and return this matter to Committee.

Director Baughman said that there is an urgency factor now and SLVWD should go ahead with the increase but he agrees that we should revisit the issue.

Director Hammer noted that the Ahlgrens aren't watering vineyards with 55 gallon drums.

Director Brown agreed with Director Baughman.

Director Ratcliffe questioned the amount of water we are talking about and noted that the Board should make sure that the burden of staff time on this issue should not be more than the water is worth.

President Bruce said that she agrees with Director Ratcliffe and suggested that staff bring this back to the Board with a quarterly report in 3 months comparing current info to info from one year ago.

Suellene Petersen, Zayante, said that she likes the approach to wait for experiential evidence.

Stephen Petersen, Zayante, said that the Board should limit the gallonage per fill up as a deterrent to trucks with 1000+ tanks.

Director Ratcliffe noted her experience with a residential cistern and said that we don't know where the water is being used and we shouldn't limit water.

President Bruce is hoping that staff will be able to accommodate the request for the comparison.

At 7:45 p.m. President Bruce Closed the Public Hearing.

Director Baughman made a motion to approve the Bulk Water Rate Increase, Resolution 42 (14-15).

ROLL CALL:

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

NEW BUSINESS:

BILL LIST FOR PERIOD ENDING APRIL 16, 2015.

Director Baughman questioned a payment to PDN Consulting and was told it was for the setup of the new server.

Director Brown questioned the same amount twice to North Bay Ford.

Peter Lang, Boulder Creek, listed his credentials and questioned how the Board can approve the Bill List without the vouchers for each and every payment.

Mark Lee, Ben Lomond, also listed his credentials and agreed with Mr. Lang.

Director Hammer made a motion to accept the Bill List for April 16, 2015 for \$103,900

ROLL CALL:

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

EDUCATION GRANT ADVISORY COMMISSION 2013-14 RESOLUTION OF APPRECIATION

District Manager Lee described the Resolution of Appreciation and turned the item over to Environmental Analyst Michelsen for further information.

Environmental Analyst Michelsen said the Commission reviewed 12 education grants and 2 data and restoration grants. They generously donated their time and recommends that the Board approve the resolution.

President Bruce said that she began working with the District as a Commission member and agrees that it is a worthwhile education tool.

President read the resolution.

Mark Lee, Ben Lomond, said that this is an excellent resolution.

Director Brown made a motion to approve Resolution 43 (14-15) with the change requested of removing the word "by".

ROLL CALL:

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

MAY IS WATER AWARENESS MONTH PROCLAMATION

Environmental Analyst Michelsen explained the resolutions.

President Bruce noted that the report states that 100 years ago life expectancy was 47 years but due to improved drinking water life expectancy has increased to 78 years.

Director Hammer made a motion to approve Resolution 44 (14-15) National Drinking Water Week, May 3-9, 2015 and Resolution 45 (14-15) Water Awareness Month May 2015.

ROLL CALL:

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

WATER CONSERVATION CREDIT PROGRAM REINSTATEMENT

District Manager Lee explained that the Water Conservation Credit Program was so popular that we went through our budget and had to suspend the program in January 2015. In light of Governor Brown's proclamation staff decided to try to bring the program back with an additional funding request from the Board of \$12,000 through the end of the fiscal year.

Environmental Analyst Michelsen added that this year we did double the for additional community outreach to help with the drought.

President Bruce noted that it is a popular and effective program.

Ms. Michelsen said that we would like to offer the credits retroactively to January when we ran out of funds.

Director Ratcliffe likes the program because it is a permanent change. When the drought goes away we will still be using water saving devices.

Mark Lee, Ben Lomond, questioned if all of the funds have been spoken for.

Director Brown made a motion to approve the additional funding of the Water Conservation Credit Program as recommended.

ROLL CALL:

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

WATER SHORTAGE EMERGENCY ORDINANCE AMENDMENT

District Manager Lee said that the significant changes to the Ordinance are watering days changed from 3 days to 2 days and changing the Appeals Board from 3 members to the full Board.

District Counsel Hynes noted that the City of Santa Cruz has hired a single Hearings Officer to preside over the appeals board.

President Bruce said that if the full board becomes burdened by the process then she would be in favor of a Hearings Officer. She questioned the three person board.

Counsel Hynes said that there is not a Brown Act violation if there is a three member panel formed in accordance of this Ordinance. But if you are concerned you can hire a Hearings Officer or send all appeals to the full board.

Director Baughman said that it is cleaner to have the full board. If it becomes onerous in the future, it can be revisited.

Director Brown questioned when we look at Stage 3 Drought applications.

Environmental Analyst noted that there is an additional change from 20% to 25% reduction in water savings.

Director Brown would like to see the lay out of the Ordinance be not so repetitive, reduce the ink.

President Bruce suggested that we bring this back to the Board after the State Resources Water Board meets on either the 5th or 6th of May. Staff will improve, restate and readopt the Ordinance for reconsideration at the May 7 Board of Directors meeting.

Ms. Michelsen asked for clarification. Will there be a 25% reduction or will we be going to Stage 3?

President Bruce said that that is up to staff.

Ms. Michelsen asked for direction with the public for PR.

Pres. Bruce said that since the District Manager has the ability to reduce landscape watering days from 3 to 2, we go ahead with that and tell the public to keep doing what they are doing until we have more information.

Director Hammer would like to see the District make their own limitations and not wait to see what the State says.

Dist. Mgr. Lee said that staff has analyzed the water situation and with the conservation we have in place and the changes to the Ordinance we will be able to manage the

drought and provide for our customers. We are constantly monitoring and will let the Board know if we need to make any changes.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) MEMBERSHIP

Dist. Mgr. Lee described membership benefits with avenues to Sacramento, outreach and public information.

President Bruce said that Scotts Valley Water District gave a presentation to the Legislation Committee describing the benefits of joining ACWA.

Director Brown said he favors membership

Director Baughman agreed.

Director Ratcliffe noted that the ACWA resources can substitute for staff that we don't have. Policy wise it makes sense.

Pres. Bruce said that water issues in the state will only become more contentious and complicated. ACWA will help us understand.

Peter Lang, Boulder Creek, would like to say that he appreciates the time and effort that Chuck puts into the District business.

Suellene Petersen, Zayante, said she sees many positive reasons for joining ACWA.

Director Hammer made a motion to approve membership in ACWA.

ROLL CALL:

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

SWIM TANK

Dist. Mgr. Lee provided information regarding the Swim Tank and is asking the Board to approve Freitas & Freitas permit and design services for finishing specifications for replace of the Swim Tanks.

Director Hammer has taken a second look at the project and recommends the project.

Directors Brown and Baughman are supportive of the project.

Director Ratcliffe questioned an easement problem with the county.

Dist. Mgr. Lee said that the new tank will be entirely on District property.

Director Hammer made a motion to approve the permit and design services of Freitas and Freitas for the Swim Tank Project.

ROLL CALL:

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

STRATEGIC PLAN

Dist. Mgr. Lee described the agenda item and the attachments. He added that the fiscal YTD on the admin. contract for professional services spent \$77,595 out of a budget of \$147,000 so we are well within our professional services.

Director Ratcliffe said excellent job on getting rid of the onerous gobbledygook in the Strategic Plan. Great to see the track changes and final.

Director Baughman also noticed a typo.

District Mgr. Lee said that he is struggling with a Gantt chart that shows what and when this means for the District.

Peter Lang, Boulder Creek, said that he hasn't been following this process but he thinks that the Board should look at the Strategic Plan more than once a year.

Mark Lee, Ben Lomond, said he hasn't read the revision but questioned if the campus facility was removed from the second version.

President Bruce pointed out the agenda memos reference where each agenda item fits into the Strategic Plan as well as fiscal impacts.

Suellene Petersen, Zayante, said she thanks Brian for taking on the Gantt chart.

Director Ratcliffe made a motion to approve the Strategic Plan, as amended.

ROLL CALL:

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

GENERAL MANAGER REPORTS

FINANCIAL SUMMARY

District Manager pointed out the Revenue and Expenses to date, we are at 66.7% of the budget year and we are running 59% under for revenue and about 59.9% for expenses. So we aren't making as much money as predicted but we aren't spending as much either.

Director Brown appreciated that Stephanie is including more information. He noted that Intertie 6 is 117% over budget.

Dist. Mgr. Lee said that at the completion of Intertie 6 he will be bringing a full breakdown of the expenses to the Board.

Suellene Petersen, Zayante, questioned if the over runs were due to the concrete that was found after the project began.

President Bruce questioned why we don't have more ACH/paperless.

Peter Lang, Boulder Creek, would like his water bill as an email.

ADMINISTRATION

DM Lee read the highlights from the report.

OPERATIONS

Dir. of Operations Rogers read the highlights from the report.

ENGINEERING

DM Lee read the highlights from the report.

FINANCE

DM Lee read the highlights from the report.

ENVIRONMENTAL

Environmental Analyst Michelsen read highlights from the report.

COMMITTEE/DIRECTOR REPORTS

President Bruce noted that the Committee summaries are available.

ADJOURNMENT:

President Bruce adjourned the meeting at 9:30 p.m.

Holly B. Morrison
District Secretary