

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

April 2, 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 emergency addition of Governor Brown's Executive Order B-29-15 to the agenda. This will be added as New Business item 11a to the Open Session.

**ADJOURNMENT TO CLOSED SESSION:**

Peter Lang and Bruce Holloway, Boulder Creek, addressed the Board regarding Closed Session Item 3d, PUBLIC EMPLOYEE PERFORMANCE EVALUATION-District Counsel.

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.

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.

**REPORT ACTIONS TAKEN IN CLOSED SESSION:**

Pres. Bruce reported that the Board reviewed the 6 month objectives for District Manager Lee. The Board is in concurrence with the 2015 District Manager Performance Objectives and Goals, the document was read aloud by Pres. Bruce. She additionally explained that this is the first step in the formal review process of the District Manager's performance, the Board will further individually score the performance. This review will be ongoing and all steps will be shared with the public.

Peter Lang, Boulder Creek, said that he is shocked and wildly enthusiastic for this process.

A motion was made by Director Brown to approve the 2015 District Manager Performance document and the process for evaluating the District Manager.

**ROLL CALL:**

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

There were no other reportable actions.

President Bruce read the Mission Statement for the San Lorenzo Valley Water District. Pres. Bruce requested that roll call be read.

**ROLL CALL:**

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

Pres. Bruce announced the addition to the agenda, item 11a, Governor Brown's Executive Order B-29-15.

**MINUTES:**

Director Hammer questioned the Consent Agenda reporting of his "abstaining" from the vote. He thought it should be "absent" since he left the room.

District Counsel Hynes confirmed that "abstain" is correct and that the text confirms that Dir. Hammer left the building before any discussion or vote.

**ORAL COMMUNICATIONS:**

Peter Lang, Boulder Creek, said that he is pleased with the Board and Management.

Julie Hendriks, Boulder Creek, said that she would like to introduce the public to people that are costing the District thousands of dollars. She described an individual that is currently suing the District, a former Board member, Century 21 Realty and the previous owners of the Rebecca property. This transaction has cost the District \$24,000 in attorney fees, so far. A previous law suit by this person also cost the District thousands of dollars. This person is Bruce Holloway. The second person she described owns 6 parcels in this area, 4 of them are unbuildable, no permitted homes on the other 2. There are reports of an agricultural grow on the property but this person has no water meter and is not a paying customer of the District. She said that it is widely known that

this person has tapped into an old fire hydrant for District water and is watering her crop for free. This same person has been involved in 60 lawsuits over the last 18 years and is currently suing the District for information as to the location of a “secret water pipe” on her property. The person described is Charlene DeBert and she has cost the District many thousands of dollars, which all of our ratepayers have to pay. Ms. Hendriks promised to return with more information to the next Board meeting.

Bruce Holloway, Boulder Creek, said that he should explain the lawsuit that is going on right now. He said that he is suing in response to the Grand Jury Report from last year. He said that the Board, at that time, just wanted to brush it off and say everything was just fine. The lawyers said it was fine and that there was no violation. He said he didn’t know how to clean up some of the activities that are going on around here except to make a point of it and to try to get it to stop so that Board members will not be doing business with the District anymore. He said that anytime somebody wants to settle the case that will be a great idea. That’s why this law suit is going on.

#### **WRITTEN COMMUNICATION:**

District Manager Lee informed the Board that he received a letter from former Board member, Jim Rapoza, endorsing Eric Hammer for the LAFCO Board and is now making it a part of the official documentation.

**CONSENT AGENDA:** None

#### **UNFINISHED BUSINESS:**

##### **ECOLOGICAL CONCERNS, INC. FRENCH BROOM MANAGEMENT & MONITORING STRATEGIES - FINAL REPORT & APPENDIX**

District Manager Lee explained that the Board had already discussed this item and accepted the report but the staff has made some changes to the document at the Board’s request. The title of the report was changed from Plan to Strategies and Appendix F was added to the report.

Director Baughman made a motion to accept the report with the changes to the title and the addition of Appendix F.

#### **ROLL CALL:**

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

#### **EDUCATION GRANT ADVISORY COMMISSION**

District Manager Lee said that Board had already agreed to the Education Advisory Commission but that not all members of the Board had filled the appointee position. All appointee nominations have now been made and are as follows:

Pres. Bruce	Donna Zeil
Dir. Brown	Alexis Krostue
Dir. Hammer	Jim Rapoza
Dir. Ratcliffe	Nina Moore
Dir. Baughman	Lee Summers

The first meeting of the Commission will take place in late April 2015 at the pleasure of the appointees.

## **NEW BUSINESS:**

### **GOVERNOR BROWN'S EMERGENCY EXECUTIVE ORDER B-29-15**

President Bruce introduced the Governor's plan for water conservation. District Manager Lee gave his take on the Executive Order. SLVWD will need to cut back an additional 5% in water use, which will be a reduction of use of 25% throughout the District.

- PR Program
- New Conservation Ideas
  - o New Drought Ordinance
  - o All appeals to go before the full Board
  - o 2 days of restricted water (down from 3)
  - o Compliance with new state mandates
  - o New reporting for groundwater usage to the state
  - o New consumption reporting to the state
  - o Monthly billing is here to stay
- State will be adding funds to help with the drought
  - o SLVWD will be looking for available funds
  - o Relocation for those who run out of water
  - o Lompico may be helped

There are still a lot of questions around this. Along with a lot of interest.

Director Brown said that one positive direction he sees that golf courses, schools and parks will have to cut back. Rates can be used for conservation and rewards will be encouraged for saving.

Pres. Bruce asks will there be rewards for districts that meet the 25% reduction, such as grants, low interest loans, etc. And if so, what do we need to do to get that.

Director Ratcliffe noted that we don't have the big green lawns and swimming pools, we don't have as much slack in the system. It will be harder for us to save anymore water.

Dist. Manager Lee said that as more information becomes available he will let the Board know. He sees this as a “Community” issue, not District vs. Rate Payers.

Suellene Petersen, Zayante, questioned what more can we do, everyone has cut back so much already.

Peter Lang, Boulder Creek, said that Pasatiempo is our Southern California. They have lots of beautiful lawns and green grass and the watering of that landscape adds revenue. Also, Lompico will add additional water demands on the District.

Rachel Wooster, Boulder Creek, questioned the rainfall report on the website. It hasn't been updated.

District Manager Lee said that he will look into the rainfall reporting.

Pres. Bruce noted that we don't know exactly what the state has in mind yet. Hopefully by May we will know more.

Bruce Holloway, Boulder Creek, questioned the rebate program. He suggested that we resurrect the program before July 1. He said that he thinks that our consumption charge is too low and if we are going to ask for 20% reduction, we should raise rates 25%.

Pres. Bruce said that we should expedite the rate study.

Dist. Mgr. Lee said that we will look at the rebate program at the April 16 BoD meeting.

Steve Yurkovich, Boulder Creek, researched water usage in Israel and they are at 35 gallons per person per day. Maybe we can try for 55.

John Fasolas, Felton, questioned if the money saved on treated water that is no longer leaking, can be used on the rebate program.

#### BILL LIST FOR PERIOD ENDING APRIL 2, 2015.

Bruce Holloway, Boulder Creek, questioned a charge for \$60,000 for the Olympia project.

District Manager Lee said that he will look into that and bring the answer to the next meeting.

Dir. Brown questioned a check for \$2 million.

District Mgr. Lee said that was just moving funds from one account to another.

Dir. Ratcliffe noted a check to Granite Rock for \$1.00

Dir. Brown questioned the \$145,000 check to Monterey Peninsula Engineering.

District Mgr. Lee said that he will check on that also.

Director Brown made a motion to accept the Bill List for April 2, 2015 for \$798,169

#### ROLL CALL:

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

#### SURPLUS/BULK WATER RATES

District Manager Lee said that historically the District uses “surplus” for water customers without a fixed meter or particular parcel. The extraction point is near the main office. Mr. Lee said that Bulk water is a better description. Staff proposes an increase of \$102.50 flat fee per month of use, plus \$10/unit. This proposal has already been approved by the Finance Committee. We will have a public hearing of the rate increase at the April 16, 2015 Board meeting. This increase is not tied to Prop 218 because the increase is not tied to property. Staff will inform the regular users of the bulk water that there will be a public hearing and invite questions and comments.

Director Hammer questioned the end user of bulk water, can we differentiate between well failure, construction, and farming.

Dist. Mgr. said that there is a form that the end user completes, checking boxes for how the water is being used. They are on the honor system.

Director Ratcliffe questioned if we can require the water be used within the District.

Peter Lang, Boulder Creek, said that the District should drop the word surplus. Also, the District should not sell outside the valley.

Rachel Wooster, Boulder Creek, noted that there are other agricultural businesses besides marijuana.

Bruce Holloway, Boulder Creek, noted that summer water is more valuable than winter water. The District should charge more in the summer.

Director Baughman questioned if we could limit water delivery trucks.

District Manager Lee suggested that we could make a list of pre-approved water delivery, similar to the back flow testing program.

Peter Lang, Boulder Creek, suggested that we see what other districts are doing.

Pres. Bruce made a motion to schedule the public hearing regarding the increase of bulk water rates for April 16, 2015 Board of Directors meeting.

ROLL CALL:

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

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

DM Lee read the highlights from the report.

COMMITTEE/DIRECTOR REPORTS

President Bruce noted that the Committee summaries are available.

**ADJOURNMENT:**

President Bruce adjourned the meeting at 8:55 p.m.

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Holly B. Morrison  
District Secretary