



**BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER  
DISTRICT  
MINUTES  
April 16, 2020**

**MISSION STATEMENT:** Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

1. Convene Meeting 6:30 p.m.
2. Roll Call: L. Farris, S. Swan, B. Fultz, L. Henry, R. Moran were all present for the videoconference meeting.  
Staff present: R. Rogers, G. Nicholls, H. Hossack, C. Blanchard, D. Langfield, J. Furtado, S. Hill
3. Additions and Deletions to Agenda: None
4. Oral Communications:  
President Swan limited the Oral Communications to 3 minutes per speaker.  
R. Rogers explained the process for being recognized as wishing to communicate.  
E. Fresco questioned when committees will start meeting again.  
Pres. Swan that it has not been discussed. We will be following the guidelines for COVID-19 meetings.  
J. Mosher thinks it is important to get the meetings going again. Other agencies are having committee meetings.
5. Unfinished Business:
  - a. NACCARI PURCHASE AGREEMENT  
R. Rogers introduced this item.  
G. Nicholls explained the agreement and referred to the backup information.  
B. Fultz questioned if this would be covered by title insurance.  
G. Nicholls said that we will be receiving a title report prior to closing.  
R. Moran questioned if he would be allowed to attend community meetings on this matter.  
R. Rogers said that he can attend as long as there are no Brown Act violations.  
G. Nicholls agreed with R. Rogers, as long as there are less than 3 Board members attending the meetings.  
L. Henry made a motion that the Board accept Resolution No. 20 (19-20).  
Motion was seconded.

G. Nicholls noted that the motion be amended to say approve not accept.  
L. Henry amended the motion to approve Resolution No. 20 (19-20).  
4 Board members voted in favor of the motion. Dir. Fultz voted no. Motion passed.  
T. To questioned if other properties were considered.  
S. Swan said that other options were considered, this was the best option for the District.

b. DRAFT FISCAL YEAR 2020/21 BUDGET REVIEW

R. Rogers introduced this item.

S. Hill explained the budget backup material included in the agenda packet.

B. Fultz questioned the form used in the presentation. He asked for an explanation as to how the \$3 million in operating margin is being allocated.

S. Hill said a majority of the money is going to fund capital projects. She referred to her presentation.

B. Fultz said that he believes a broader conversation is needed in conjunction with unfunded and underfunded liabilities. He disagrees with replacing 2000 meters in one year.

L. Henry said she doesn't think that we can get a definitive answer on Dir. Fultz's questions in time for the budget to be completed.

*It was discovered that the recorder was not working 25 minutes into the meeting.*

L. Henry said she doesn't think that we can get a definitive answer on Dir. Fultz's questions in time for the budget to be completed.

B. Fultz questioned the return on investment of the meters. He said a meter replacement project of about 700 makes sense.

S. Swan said let's ask the experts for their comments on this subject. It's not S. Hill's job to make the decisions, she gets the information from Operations.

R. Rogers said that after 15 years, meters start slowing down and we have many meters over 15 years old.

S. Swan questioned if we have data that says how much the meters are off by.

R. Rogers said we have sent one older meter out for testing and it showed it was off on the higher flows.

Discussion by the Board and staff regarding the number of meters the District should replace.

L. Farris said that \$12 million is a lot to spend on capital in one year. The Board needs to make sure they are spending it on the right things. He questioned what are we not going to do the \$12 million.

R. Moran said the meters could be reading more or less. Planned maintenance is planned. The Board should consider all of the areas of need.

S. Swan said the economy is a mess. We are facing a lot of challenges. Maybe in these circumstances the program should be scaled back.

B. Fultz said he agrees with Pres. Swan.

S. Hill said there is nothing that sets the budget in stone. It can be amended as necessary. If we scale back on the meter program, we can start paying down some of our unfunded liability.

R. Moran agreed with Pres. Swan regarding the uncertainty of the economy.

G. Nicholls said that everyone should know not to use the webinar chat function. Please raise your hand if you want to ask a question.

E. Fresco commented that new meters help identify leaks before they are too high. She would be willing to chip in to replace her old meter.

Pres. Swan said that sounds like something to consider.

E. J. Armstrong commented on possible meter solutions.

R. Rogers 15 years is the magic number for the life of a meter. Failing meters cost the District revenue.

B. Fultz would like to advocate that the Board ask the Dist. Mgr. a “to be determined” number of meters being replaced to derive return on investment. The pipes and tanks are also quite old and are causing water loss and needs to be addressed. He thinks that selling meters in advance of their replacement schedule could be a good source of income.

Pres. Swan questioned how many meters are yet to be replaced.

B. Fultz responded that 4000-5000 meters are 12 years and older.

S. Hill that the District investigates possible dead meters. All dead meters are replaced at that time.

G. Nicholls suggested going out to the public one more time to close out this item.

Pres. Swan suggested that the number of meters to be replaced be cut in half. In a few months we should revisit the needs for the saved \$400K not going to meters.

L. Farris agreed.

c. LETTER TO PACIFIC GAS & ELECTRIC

R. Rogers introduced this item.

C. Blanchard explained the history behind the PG&E letter.

L. Farris took issue with a sentence in the letter.

B. Fultz clarified that this letter is on the agenda because committee meetings have been canceled. He then stated his ideas for revisions to the letter and shared a letter that he wrote. He questioned Dist. Counsel how to go about sharing his letter.

G. Nicholls suggested that he share it on Zoom and email it to anyone that can't see the letter.

Discussion by Board and staff regarding the letter written by B. Fultz.

B. Fultz read his letter to PG&E.

Discussion by Board and staff regarding the letter written by B. Fultz.

T. To both letters are good. She suggests that a new letter be drafted that is both collaborative and has the scientific background.

N. Macy the original letter was meant to be critical because PG&E has failed to upgrade the system in the San Lorenzo Valley for 60 years or more. The letter needs to convey our concern for the entire San Lorenzo watershed.

Pres. Swan suggested that Dir. Fultz work with the writers of the original letter to craft a letter that works for everyone.

B. Fultz agreed.

E. J. Armstrong noted that subcontractors are actually doing the work. He recommended that the letter include that representatives from the District work with the subcontractors.

Pres. Swan said that if Dir. Fultz, C. Blanchard, N. Macy, Dir. Moran want to make edits to the letter he will be happy to sign it.

## 6. New Business:

### a. TEMPORARY UTILITY BILLING POLICY CHANGES IN RESPONSE TO COVID-19

R. Rogers introduced this item.

S. Hill explained this item. This item is to identify actions the District has already taken and to request direction for some of the other possible actions. The recommendation from staff is to temporarily suspend reporting to collection agencies, delay efforts to initiate the use of the property tax roll for overdue balances (but continue to lien debt owed to the District). We've suspended all late fees, turn-offs, all outgoing notifications and send out a letter to all property owners that they are ultimately responsible for all water bills on their property. Staff recommends that the Board approve all of the recommendations, none of the recommendations or a combination of them.

R. Moran thanked staff for being responsive to the new environment. He noted that the message is out of date.

S. Hill said that staff was directed to send out past due notices for the month of March. This is the 3<sup>rd</sup> party, pre-recorded message.

R. Moran supports the staff recommendation.

L. Henry said she doesn't think that the Dist. shouldn't wait to do property tax. Liens do effect your credit rating. The Dist. still gets paid by the County for property taxes due even if they don't pay their bill. Property tax is the way to go.

B. Fultz questioned if we have any liens currently expiring.

S. Hill said that the District goes through the liens monthly to renew expiring liens.

B. Fultz continued that we can, at some point, move a lien to the property tax.

Discussion by Board and staff regarding liens and property taxes.

B. Thomas said that communication to the public regarding this will be helpful.

J. Mosher appreciates the District for taking this step.



Pres. Swan sounds like everybody is in agreement to follow staff's recommendation, adding to communicate this change to the public.

G. Nicholls said that she would suggest a motion. She doesn't recommend posting anything on the website, these are mostly background activities that occur when accounts are long past due.

S. Swan made a motion to direct staff to follow their own recommendation to temporarily suspend reporting past due accounts to credit agencies, to delay sending past due accounts to the property tax roll until 2021, and to continue to use liens to secure funds owed to the District. Motion was seconded.

All present voted in favor of the motion. Motion passed.

G. Nicholls requested that the vote be read back due to confusion during roll call.

H. Hossack read the vote back.

b. SWIM TANK/REDWOOD PARK TANK AWARD OF CONTRACT

R. Rogers introduced this item.

C. Blanchard explained this item.

Pres. Swan called for questions or discussion from the Board.

L. Farris pointed out that in the proposal from Rincon, WSC is a subcontractor.

Discussion by Board and staff regarding WSC as a subcontractor. R. Rogers noted that WSC is not a subcontractor on this project.

R. Moran noted that he like the name Redwood Park Tank.

B. Fultz said maybe we can sell the naming rights to the tank.

Pres. Swan made a motion to direct the District Manager to enter into a contract with Rincon Consultants to complete the CEQA for the Redwood Park Tank project. Motion was seconded.

All present voted in favor of the motion. Motion passed.

c. LYON SLIDE AWARD OF CONTRACT

R. Rogers introduced this item.

D. Langfield explained the item. He described the history, contract and staff recommendation.

Pres. Swan noted that there was only one bid.

R. Moran questioned if this keeps us within the FEMA application timeline.

D. Langfield responded that we have a one-year extension from FEMA. We just need to show that we are working on the project and making progress.

B. Fultz asked D. Langfield to explain the deliverable on this project.

Discussion by the Board and staff regarding this multi-year project.

G. Mahood said that she is on the Engineering Committee and thinks it's worth noting that the recommendation of the environmental consultants will determine how we move forward on this project.

Pres. Swan made a motion award the environmental consultant contract for the Lyon Tank Access Road Rehabilitation to Rincon Consultants and direct the District Manager to enter into an agreement. The motion was seconded.

All present voted in favor of the motion. Motion passed.

d. LOW INCOME RATES

R. Rogers introduced this item and read from the staff memo.

Pres. Swan suggested that a representative from Friends of San Lorenzo Valley Water present. He is already in favor of holding a special meeting to discuss this.

E. Fresco made the proposal to the Board. It's based on to PG&E Care Program. Funding for the LIRA could come from property taxes or interest income. They feel this is a better solution than foregoing the scheduled rate increase.

Pres. Swan said E. Fresco did a good job of summarizing your proposal. It's a lot of money but he is in favor of doing what he can to help. He'd like to do some research on the examples of other water districts and hopes he can find one similar to the size and nature of our district.

L. Farris said he supports this program, he believes there should be a backstop between \$50,000 & \$100,000, and he doesn't think we should preclude a rate increase change.

B. Fultz said we need to have a conversation about the entire scope of funding issues. He wants staff to provide all of the unfunded and underfunded liabilities.

R. Moran this type of program is appropriate at this time. He thinks the District can do something proportional to its size. He supports Pres. Swan's suggestion to have a special meeting.

L. Henry said she has contacted Assembly Member Stone's office regarding AB 401. The bill has never been financed. She thinks there are ways to help low income people but \$100,000 is too much. She proposed \$5 for 1200 customers per month for \$60,000. That amount the negate the rate increase for low income people.

B. Fultz we need to look at revenue distribution in the District.

L. Farris said he agrees with Dir. Fultz and he believes there is a potential for benefit to the District and the public with a LIRA.

Pres. Swan said as expected this has proven to be large scoped discussion. He would like a special meeting to deal with this matter.

J. Mosher he clarified that the Friends of San Lorenzo Water is a new group. He encouraged the Board to move on this quickly.

B. Thomas said we can't assume that low income means low water users. She doesn't think there is a rush to deal with this.

P. Gelblum said that the rate increase is necessary. The LIRA could mitigate it.

Pres. Swan reiterated that the Board is in agreement that they want to do something. You don't need to lobby for this program.

G. Mahood encouraged the Board not to leave any money on the table when we talk about rate increases. Make the program revenue neutral.

B. Holloway said that tiered rates would be a step in the wrong direction. He suggested a rebate for the LIRA program.

C. Dzenzel questioned if the low income customers would have to apply to participate. This has to be fair and open to anyone that qualifies.

Pres. Swan said the he would propose a special BoD meeting to discuss this subject. What direction does staff need for a special meeting?

B. Fultz said he would meet with R. Rogers tomorrow work some of this out.

R. Rogers would prefer that the direction come from the full Board not from a single Board member.

Discussion by Board and staff regarding special BoD. Board agreed to schedule Special BoD meeting for May 7, 2020.

#### 7. Consent Agenda:

a. MINUTES FROM BOARD OF DIRECTORS MEETING MARCH 19, 2020

Pres. Swan asked if anyone wanted the minutes pulled from the Consent Agenda. No response.

#### 8. District Reports:

- DEPARTMENT STATUS REPORTS  
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
  - Engineering
  - Environmental
  - Finance & Business
  - Legal
  - Operations

B. Fultz questioned the status of the Bear Creek repair.

R. Rogers said this is the last night of overnight work.
- COMMITTEE REPORTS
  - Future Committee Agenda Items
  - Committee Meeting Notes/Minutes
- DIRECTORS REPORTS
  - Director's Communication
  - Future Board of Directors Meeting Agenda Items

#### 9. Adjournment 9:29 p.m.