



**BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER  
DISTRICT  
MINUTES  
March 19, 2020**

Thursday, March 19, 2020 at 6:30 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

Teleconferencing will be made available for this meeting by dialing in to 1-800-308-1404 and entering passcode 213-612-7815. This is a special accommodation being made in light of public health concerns due to COVID-19 and pursuant to the Governor's Executive Order N-25-20 (Order). The Order at Paragraph 11 allows local legislative bodies to hold public meetings via teleconference and to make meetings accessible electronically to its members, agency personnel, and members of the public.

The use of teleconferencing technology as an alternative to in-person attendance is strongly encouraged but not required. This is a publicly held meeting and all members of the public are welcome to attend. During this Public Health Emergency please be mindful of yourself and those around you when choosing to attend public meetings.

1. Convene Meeting 6:30 p.m.
2. Roll Call: Dir. Farris, Dir. Fultz and President Swan were present in the Boardroom. Dir. Henry and Dir. Moran were present by teleconference.  
Staff: R. Rogers was present in the Boardroom. G. Nicholls, J. Furtado, D. Langfield, S. Hill, Carly Blanchard, and H. Hossack were present by teleconference.
3. Additions and Deletions to Agenda:
  - R. Rogers said he would like to move item 6b to the beginning of the meeting.
  - S. Swan welcomed everyone to the Board meeting. Thanked everyone for distancing themselves.
  - R. Rogers said that the management team is participating remotely.
  - S. Swan asked the District Counsel to explain the teleconferencing protocol.
  - G. Nicholls explained the process for teleconferencing and the suspension of portions of the Brown Act, recently announced by the governor of California as executive order. Ground rules for teleconferencing; keep your phones on mute until you are going to speak, the Board President will set time limits for public communication and the time will be monitored in the Boardroom, before you start speaking please announce yourself, be courteous and wait for the prior speaker to finish, the Board President will make sure everyone has an opportunity to speak, if background noise or interference becomes a problem it may become necessary to mute the conference line. She will be helping to manage the conference line.

#### 4. Oral Communications:

Pres. Swan introduced this process for public comment. We will be observing a 3 minute time limit for comments.

L. Henry said that she is on a landline and cannot mute her phone.

#### 6. New Business:

##### b. NOVEL CORONAVIRUS (COVID-19) RESPONSE

R. Rogers introduced the item and explained that the original item in the agenda is over a week old and there have been changes to the item. A supplemental memo has been added and was posted to the website. He read from the memos.

G. Nicholls said that she has nothing to add but will answer any legal questions.

S. Swan said we will begin with discussion by the Board.

L. Henry said this sounds like a very good plan, protective of staff and public.

R. Moran said the recommendations are in line with other government agencies. He was glad to see the District is fully engaged in maintaining a clean and safe workplace.

B. Fultz said that he is happy that the District has jumped on this right away. The plan makes sense. He asked about testing of essential business employees.

R. Rogers said he didn't see anything about testing only that essential employees are expected to practice social distancing.

G. Nicholls confirmed that there was nothing in the orders to require testing.

B. Fultz said that he thinks when tests are more available the District should consider testing.

R. Rogers said the first concern is the health and safety of staff.

Discussion by the Board and staff regarding the office staff working out of the office.

L. Farris questioned emergency powers of the District Manager 1) should we consider raising the dollar approval level and 2) allow agenda item changes in less than 3 days since things are changing so rapidly.

R. Rogers said this emergency is unique in that there are not large expenditures for materials. Right now he is comfortable. He has discussed the possibility of emergency meetings with District Counsel.

Discussion by the Board and staff regarding social distancing of staff.

S. Swan noted that there was still no public attendance in the room so he opened the phones to public comment.

J. Mosher commented that he appreciated the hard work of the staff making sure that the public is receiving clean and safe water.

B. Holloway said that he was glad that the District was able to get the teleconference to work for tonight's meeting. He questioned cash payments of water bills.

R. Rogers said that the cash payments should go into the drop box.

S. Hill we are not accepting cash payments at this time. The drop box locations are check only.

Discussion by the Board and staff regarding cash payments and locations of drop boxes.

R. Rogers said that he would like to bring back to the Board the waiving of penalties and charges for non-payment.

Discussion by the Board and staff regarding suspension of waiving penalties and charges for non-payment.

R. Moran questioned the need to agendaize the reduction of Board meetings.

Discussion by the Board and staff regarding the reduction of meetings and how long we will be sheltering in place.

B Fultz made a motion to suspend the first meeting of each month and all committee meetings till such time as the Santa Cruz County Health Officer lifts the shelter in place order. That gives us an indefinite time and if the order is lifted we can go back to having 2 meetings per month.

G. Nicholls said that the motion is entirely workable. The motion was seconded.

E. Fresco she said she doesn't know what else the Board can do.

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

5. Unfinished Business:

a. DRAFT FISCAL YEAR 2020/21 OPERATING REVENUE & EXPENSE BUDGET REVIEW

R. Rogers introduced this item and the Director of Finance.

S. Hill explained this item. It is high level view with estimated operating revenue of \$11.3 million. It includes the rate increase that was approved by the Prop 218 process. Consumption assumption was reduced. Operating expenses came in at \$8.3 million, leaving operating income just under \$3 million.

L. Farris questioned where is the non-recurring new revenue. For example, the sale of surplus property.

S. Hill those would fall under a non-operating function.

L. Farris asked how do we go about factoring in revenue that we can't specifically identify.

S. Hill said you can always do a budget amendment.

B. Fultz said you might want to consider the kind of non-operating revenue.

Discussion by the Board and staff regarding the B & F Committee seeing this information and the rate increase.

S. Hill said the we need to discuss the \$5 million in unfunded liability.

Discussion by the Board and staff regarding the unfunded liability.

S. Hill said there is a great unknown in the future. Not moving forward with rate increases will make the path forward more difficult.

B. Fultz said his understanding of the minimum ratio is 1.25%.

Discussion by the Board and staff regarding loan possibilities. An expenses.

S. Hill said that the District still needs a Strategic Plan and Master Plan.

Discussion by the Board and staff regarding the Master Plan, Strategic Plan and expenditures that are needing financing.

S. Hill explained the next few pages in the budget packet.

B. Fultz asked for S. Hill to post excel spreadsheets with all of this information.

Discussion by the Board and staff regarding the budget spreadsheets.

S. Hill asked for questions on the operating expenses.

L Farris noted that amount of money budgeted for maintenance is going down, has the deferred maintenance problem been fixed.

R. Rogers we got our maintenance done and it came in less than budgeted.

J. Furtado said that number was adjusted due to the lower numbers that came in this year. Most of the maintenance issues in the field are capital maintenance. They will be in the capital budget.

Discussion by the Board and staff regarding deferred maintenance.

L. Farris questioned the \$85,000 for contract services for Fire Management. That's just for the plan. Where is the money for implementation?

J. Furtado the Fire Management budget is a capital cost.

Discussion by the Board and staff regarding the Fire Management Plan execution.

L. Farris questioned the \$10,000 for SMGWA.

S. Hill said that at this point we don't know what their budget is yet.

Discussion by the Board and staff regarding the SMGWA cost to the District.

E. Fresco due to the uncertainty at this time...

G. Nicholls reminded everyone that if you are unmuted, please mute your phone.

E. Fresco said appreciates Dir. Fultz's concern with the ability of our poorest rate payers to pay an increase, however, it shouldn't be about the optics. Your concern should be about taking care of the water district, making sure we have enough money to provide maintenance and capital projects. If you're concerned about the rate payers being able to pay, we should have a program that helps them. Our rates shouldn't be based on what the lowest 30% of our community can pay but what we have to do to have a sustainable, good water system.

B. Holloway said that the rate increase was approved by the public. Make it a separate item for another Board meeting. He doesn't understand why the budget can't be completed by June. Regarding the land sales and grant funding, it sounds like a great idea but it should be discussed.

J. Mosher supported what Elaine said about the importance of the District addressing the hardships of the lower income people.



G. Nicholls was lost from the teleconference.

Discussion by the Board regarding the conference.

G. Nicholls got back on to the call.

Discussion by the Board and staff regarding the teleconference.

S. Hill questioned if this budget is reasonable to the Board. Non-operating and the capital components will be added to the budget for the next meeting for the full picture.

S. Swan said that the staff should go back and look at the budget challenges with the current events in mind.

B. Fultz said that not just lower income people are going to be affected by this, there will be fallout for everybody. He would like to see a flat expense budget with no rate increase. We need to be flexible.

L. Farris questioned Rick if there were any areas where you were conflicted about the dollars needed. Things you didn't include but wish you could include.

R. Rogers said the Fire Management Plan, the Urban Water Management Plan, public outreach, all are very important.

L. Henry the biggest expense the District has is staff. Bob wants to get rid of staff. That's the only way to get this budget down. She is not for getting rid of staff.

B. Fultz said it's not up to him to decide how a budget gets implemented, it is up to the Board to decide what the policy is going to be. His suggestion is to keep the expenses flat with no rate increase. How that is reflected in the budget isn't something he is telling the staff how to do. He thinks it is very presumptive of you to make that as a point. The Board's role is to set policy. The policy he is suggesting is a flat budget with no rate increase.

L. Farris said that since they were talking about head count. Is there any thought given to short term temporary crew?

R. Rogers said we don't have plans to add to head count. The District agreed to a salary study/comparison but due to a change in management it was never done. It is needed. He believes that there is a position or 2 that low for compensation and we could lose those people. It needs to be looked at. We have been short on staff for a long time and we have just gotten caught up.

R. Moran said that the key word he hears is essential. The budget should reflect essential needs of the District. That word is going to be re-evaluated as we go forward into uncharted territory. We should let people know that we are going to be as fair and compassionate as possible.

S. Swan from the standpoint of providing direction to S. Hill and staff, take this current proposed budget, go back and reassess the essential needs of the District in conjunction with the potential impact of the budget needs and plans for the future. It doesn't have to be a flat budget or not implementing the rate increase. Re-affirm the budget looking at all of the recent events that have occurred and the essential needs of the water district be taken seriously into consideration. Make modifications with that in mind.

Discussion by the Board and staff regarding direction for the staff regarding the budget.

R. Rogers asked if S. Hill has enough direction.  
S. Hill said sure.

b. COMMUNICATIONS OUTREACH

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

B. Fultz questioned whether staff is recommending we move forward with this.

R. Rogers said that the District doesn't need all that they have proposed. Staff would like to move ahead with Chatterbox but would like to modify scope of work.

B. Fultz said that this was discussed at the Admin Committee. The Admin Committee was concerned about the scope. It was recommended that this move from the Admin Committee back to the Board for direction on the scope of the outreach.

R. Rogers said that the 2 board members were far apart on the needs of Communications Outreach. Each of them expressed a desire to move this along with the opinion of the Board.

Discussion by the Board and staff regarding the role of the Committee and how the Board would proceed.

Discussion by the Board and staff regarding best way to get the information out to the public.

J. Mosher commented that this is important issue for the District. He has spoken to Carly about important outreach without needing a firm to do it. The new Felton Library is already working on reaching out as a partner with the District and the Parks Department.

B. Holloway said that he was deeply offended by the promotion of the District during the election.

S. Swan made a motion to direct the DM to into a contract with Chatterbox to carry out our District's communication outreach needs as reflected in their proposal. The motion was seconded.

R. Moran is not in favor of spending \$43,000 tonight. He suggested that there be phased in approach. We should do half of it for the 1<sup>st</sup> phase, showing our commitment to outreach. He amended the motion.

Discussion by the Board and staff regarding the motion and alterations to the agreement with Chatterbox.

L. Farris made a motion to proceed with Chatterbox not to exceed \$20,000. The motion was seconded.

G. Nicholls clarified Dir. Moran's amendment to the motion.

Discussion by the Board and staff regarding the motion.

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

6. New Business:

a. FIRE MANAGEMENT PLAN CONTRACT

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

R. Moran said he would like to hear from Dir. Farris first.

L. Farris said they spent a lot of time talking about Fire Prevention Planning in particular with Dr. Larry Ford. This is the best option we've been able to come up with. He recommended that the Board move forward with this contract for \$60,000 with possible grant funding.

B. Fultz questioned the immediate objective that the District needs to do.

L. Farris said that the District needs to develop a defined plan for how the District can protect the District property. We can widen the dirt roads. We need to harden the out buildings.

Discussion by the Board regarding the plan and wild fire risk.

L. Ford said that the key to this is that the District can only do so much. They need the collaboration of all the agencies in the Valley. Most of the other agencies will be the ones know how to do prescribed burning, the hardening of the buildings. What the other agencies don't know is the value of the Water District's assets and the delivery of water.

Discussion by the Board, public and staff regarding the plan.

J. Mosher is in favor of moving this plan forward.

E. Fresco said she was impressed by the presentation.

L. Farris made a motion to accept the staff's proposal for

S. Swan made a motion to authorize the District Manager to enter into a contract for the Fire Management Plan. The motion was seconded.

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

B. Fultz made a request that Rick and Stephanie come with an update on where we are and what was spent at the last 2 meetings. To see where we are relative to that number.

#### 7. Consent Agenda:

- a. MINUTES FROM BOARD OF DIRECTORS MEETING MARCH 5, 2020

#### 8. District Reports:

- DEPARTMENT STATUS REPORTS

Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.

- Engineering
- Finance & Business
- Legal
- Operations

Discussion by the Board and staff regarding Department Status Reports.

- COMMITTEE REPORTS

- Future Committee Agenda Items
- Committee Meeting Notes/Minutes
  - Facilities Committee Minutes - 2.18.20
  - Environmental Committee Minutes - 2.20.20
  - LADOC Minutes - 2.26.20
  - SMGWA Summary - 2.27.20

- B & F Committee Minutes - 3.3.20
- Admin Committee Minutes - 3.4.20
- Engineering Committee Minutes - 3.10.20

- DIRECTORS REPORTS
  - Director's Communication
  - Future Board of Directors Meeting Agenda Items

9. Written Communication:

- Letter from Durst Trustee - 3.3.20

10. Informational Material:

- SLV Bolsters Water Supply Resiliency - SC Sentinel 3.7.20

11. Adjournment 10:13 p.m.