



**MINUTES
BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER
DISTRICT
January 21, 2021**

Thursday, January 21, 2021, at 5:30 p.m., via videoconference and teleconference.

1. Convene Meeting 5:30 pm
Roll Call: Pres. Mahood, V. P. Henry, Directors Fultz, Smolley, and To were all present.
Staff: R. Rogers-District Manager, G. Nicholls-District Counsel, H. Hossack-District Secretary were also present.
2. Additions and Deletions to Closed Session Agenda: None
3. Oral Communications Regarding Items in Closed Session: None
4. Adjournment to Closed Session 5:31 pm
 - a. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager
5. Convene to Open Session at 6:30 p.m.
6. Report of Actions Taken in Closed Session
No actions to report.
7. Roll Call (Open Session): Pres. Mahood, V. P. Henry, Directors Fultz, Smolley, and To were present for the Open Session.
Staff: R. Rogers, G. Nicholls, S. Hill-Director of Finance and Business Services, J. Furtado-Director of Operations, C. Blanchard-Environmental Planner,
8. Additions and Deletions to Open Session: R. Rogers requested that item 11a Fire Recovery Surcharge be removed from tonight's meeting. He requested that a special BoD meeting be set for this item on January 26th or 27th. He also requested a change in the order of the agenda, taking item 11d Loan Analysis first, followed by item 10a Board Policy Manual. This is because we have a presenter for the Loan Analysis.

G. Mahood added that the reason that we are moving the Fire Recovery Surcharge is because we realized that the public is very interested in this item and there is some issues with internet connectivity.

11. New Business:

a. FIRE RECOVERY SURCHARGE - removed from the agenda

b. LOAN ANALYSIS

S. Hill introduced and described this item. She introduced C. Perlitz, our Municipal Advisor.

C. Perlitz described his reason for being there and presented his recommendations.

Discussion by the Board, staff, and presenter regarding revolving loan, projects to be funded and when, and need for cash flow.

C. Perlitz explained the variable component for \$15M.

R. Rogers questioned if you are talking about specific projects.

S. Hill said that the loan is just for FEMA projects.

B. Fultz said that he is an advocate of \$15-20M in debt to do the next set of normal projects, not the fire recovery projects. Is there an advantage to thinking about \$20-25M to wind up have capital for both the FEMA projects and the next set of projects.

C. Perlitz said that you would have to look at taxable vs. tax exempt. There's a lower rate for tax exempt.

L. Henry questioned if the District can afford \$41M.

C. Perlitz said that is pushing the envelope. You don't want to take too much debt too fast. Rates double.

Discussion by the Board, staff, and consultant regarding capital market, tax exempt rules, and variable interest rates vs. fixed rate.

No Oral Communication by the public.

B. Fultz questioned current interest rate.

S. Hill said it is just below 3%.

Discussion by the Board, staff and consultant regarding interest rates.

G. Mahood said that it sounds like the analysis needs more work.

S. Hill said that the Board needs to authorize the Dist. Mgr. to authorize enter into contract for a loan.

B. Fultz is concerned that First Foundation Bank hasn't been fully analysed. He's not prepared to have the Dist. Mgr. make the decision.

G. Mahood suggested that this matter be brought back to the special meeting on the 26th or 27th.

Discussion by the Board and staff regarding the final options for the next meeting and a recommendation/resolution.

Chris and Stephanie will present them at a special meeting on January 26th with a recommendation and a resolution.

G. Nicholls said that a resolution is not needed, just a motion. Ultimately there will be a final resolution when the decision is made.

9. Oral Communications: None

10. Unfinished Business:

a. BOARD POLICY MANUAL UPDATE

G. Nicholls introduced this item.

Discussion by the Board and staff regarding the proposed language, emails to Dist. Secretary with list of agreeable changes, all directors agreed with emails to be sent to the Dist. Secretary.

B. Fultz read a statement:

I'd like to share with our community my vision for board meetings. For many years, I have been a consistent advocate for maximum transparency and maximum public participation inside of a deliberative process that ensures all viewpoints are discussed, debated and questioned prior to decisions. Even if—especially if—those viewpoints may not be popular or represent a majority opinion at any particular point in time. I believe that this is critical for small local agencies like the SLVWD that depends on the support of its owners—the SLVWD community—for funding.

Sometimes, particularly for more complex and money topics, this may not appear to be efficient. That is absolutely correct. Our system of government is not efficient—by design—because efficiency is generally not the friend of transparency and does not allow a full airing of all positions on any issue. Efficiency in decision-making is more often found with private institutions—corporations, universities and family businesses to name a few examples.

In our system of government, the *process* by which decisions are reached is just as important, and sometimes more important, than the actual decision itself. On almost any significant issue that comes before this board, I guarantee you, based on my 30+ years of residence here, within our community, there will be a wide variety of opinions about it. Certainly not unanimity.

Further, the airing of an issue is not simply a process of everyone offering comments. That process must also accommodate the need for back and forth debate and discussion, questions and answers—between board members, between staff and board members and which should also involve the community.

This concept is also embodied in the Brown Act and subsequent case law which also emphasizes the importance of the deliberative process. The Brown Act is not the limit to which we must do—we can and should do more. The Brown Act absolutely does not set a time limit on meetings. Recent grand jury reports focusing on our District also emphasized the need for significantly improved transparency and engagement in a respectful fashion. Over the past two years, this board has made huge improvements in this area which I believe the community at large recognizes and supports. I will not support any policy or procedure that attempts to roll back any of those improvements in the name of efficiency.

That said, I have also advocated for policy and procedural improvements that would move meetings along faster and provide more flexibility for senior staff participation without infringing on the overall deliberative process. I will offer those suggestions at a future time assuming that topic comes before the board for discussion.

Changes to the BPM to be sent to Dist. Secretary by January 28th, end of business.

M. Smolley requested a list of items with the deadline in an email as a follow to this meeting.

12. Consent Agenda: No objections.

13. District Reports:

- DEPARTMENT STATUS REPORTS

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

- Environmental
- Finance & Business
- Legal

B. Fultz questioned C. Blanchard regarding her priorities.

C. Blanchard said top priorities are:

Fall Creek Fish Ladder
Urban Water Management Plan
Take Permits for Pipeline Projects
Wildfire Management

Broom in the Olympia

B. Fultz questioned the past due policy

S. Hill said we will have that shortly.

B. Fultz asked that it be sent to the Board when available. He also questioned past due over 60.

S. Hill explained that most people pay every 2 months.

B. Fultz questioned the omission of the Bill List.

S. Hill will send the Bill List out to everyone.

T. To questioned billing every other month.

S. Hill explained the process and why.

G. Nicholls said that the Bill List can go on to the special meeting agenda.

- COMMITTEE REPORTS

- Future Committee Agenda Items

- Committee Meeting Notes/Minutes

- Special B & F Committee Minutes 11.9.20

- LADOC Minutes 11.24.20

- B & F Committee Minutes 12.1.20

- Engineering Committee Minutes 12.3.20

- B. Fultz questioned the statement that the LADOC funds have been spent.

- S. Hill said that is a question for the Dist. Manager and Dist. Counsel.

- B. Fultz would like this item put on the agenda item.

- DIRECTORS REPORTS

- Director's Communication

- Future Board of Directors Meeting Agenda Items

14. Written Communication:

- Election of Special District Seats on LAFCO - 1.11.21

15. Informational Material:

- SC County Redefines Debris Flows - SCSentinel 1.6.21
 - Letter to Supervisor McPherson re: US Treasury Assistance - 1.15.21

R. Rogers asked to set a meeting for the special meeting. The meeting was set for January 26th at 5:30 pm.

No oral communications from the public.

16. Adjournment 8:08 pm