



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER
DISTRICT RE-ADJOURNED
MINUTES
June 30, 2021**

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/Roll Call 6:00 p.m.

Board Members Present:

Gail Mahood, President
Lois Henry, Vice President
Jayme Ackemann, Director
Bob Fultz, Director
Mark Smolley, Director

Staff Present:

Rick Rogers, District Manager
Holly Hossack, District Secretary
Gina Nicholls, District Counsel
Carly Blanchard, Environmental Planner

2. Additions and Deletions: None

3. Oral Communications:

B. Thomas made a public comment regarding access to public meetings.

J. Serrano made a public comment to invite everyone to the CSDA/LAFCO Webinar.

Discussion by the Board and staff regarding J. Serrano's invitation.

4. Unfinished Business:

a. PUBLIC HEARING AND POSSIBLE ADOPTION OF THE 2020 URBAN WATER MANAGEMENT PLAN

C. Blanchard introduced this item and read from the memo.

S. Waterman, with WSC, presented his PowerPoint.

Discussion by the Board, staff and consultant regarding projected water use in the report, gross use of water going up and going down was explained, modeling assumptions, DWR requirements, water produced vs. water sold, more flexible model needed, conjunctive use & shared water, water shortage contingency, supply augmentation, operational changes, this doesn't align with the SMGWA, and drought assumptions.

C. Dzendzel made a public comment regarding the amount of water being used.

Discussion by the Board and staff water usage.

M. Lee made a public comment regarding water usage.

Discussion by the Board and staff regarding the resolutions and changes to be made to the document;

- Typos throughout the report
- Section 8.1.1.2 to delete the first paragraph regarding groundwater contamination
- Revise sections 10.2.9.1 & 10.2.9.2 to reflect Loch Lomond supply potential
- Language will be added to describe the methodology of DWR
- Add a description of overall gallons per capita per day/water sold

M. Smolley made a motion to adopt this UWMP as outlined in the resolution and clarified with comments that S. Waterman stated and including the Water Shortage Contingency Plan.

L. Henry seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: L. Henry, J. Ackemann, B. Fultz, M. Smolley
NOES: G. Mahood
ABSTAIN: None

- b. DRAFT FY 2021-2023 BIENNIAL BUDGET
S. Hill introduced and explained this item.

Discussion by the Board and staff regarding FEMA, Fire Recovery fund, Biennial Budget, debt service coverage ratio, Capital Projects, and increased head count and operating expenses.

C. Dzendzel made a public comment that she would like to hear Dir. Fultz's suggestions for how to reduce the operating budget.

Dir. Fultz said it is the responsibility of the Board to establish policy not to mandate operational running of the District day to day.

Discussion by the Board and staff regarding operating costs & revenue, growth & expenses, staff & compensation study, age of the system, raising of rates, and trends for the future.

G. Mahood questioned the budget for capital projects and the aggressive plan for CIP.

R. Rogers responded that the District will use a combination of consultants and staff to get the CIP done.

Discussion by the Board and staff regarding projects that must be done over a longer period of time, deadlines on FEMA and loan projects, and Fall Creek usage.

B. Thomas made a public comment regarding the problem we have is that we still have to run the water district without going to the public every year for another 5% increase. Tough decisions have to be made.

C. Dzenzel questioned what happens if the staffing study says we should be paying the staff more and has anyone compared the City of Santa Cruz rates.

Discussion by the Board and staff regarding rate increases, water infrastructure, tiered rates, and community.

M. Smolley made a motion to adopt the Biennial 2021-2023 Budget and authorize the District Manager to implement said budget for \$34.1 million and \$28.8 million for fiscal years 2021/2022 and 2022/2023 respectively.

J. Ackemann seconded.

ROLL CALL VOTE: MOTION PASSED

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| AYES: | G. Mahood, L. Henry, J. Ackemann, M. Smolley |
| NOES: | B. Fultz |
| ABSTAIN: | None |

5. Adjournment 8:43 p.m.