



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER
DISTRICT
MINUTES
June 17, 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.

Thursday, June 17, 2021, at 5:30 p.m., via videoconference and teleconference.

1. Convene Meeting/Roll Call: 5:31 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
Gina Nicholls, District Counsel
Holly Hossack, District Secretary

2. Additions and Deletions to Closed Session Agenda: None

3. Oral Communications Regarding Items in Closed Session: None

4. Adjournment to Closed Session: 5:33 p.m.

a. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

5. Convene to Open Session: 6:40 p.m.

6. Report of Actions Taken in Closed Session

G. Nicholls reported that there was a consensus of the Board to direct the District Manager to communicate with Supervisor McPherson's office to propose a meeting of principals in an effort to resolve the County's lawsuit against the District.

7. Re-Convene Meeting/Roll Call

Board Members Present:

Gail Mahood, President
Jayme Ackemann, Director
Bob Fultz, Director
Mark Smolley, Director

Lois Henry, Vice President - absent/excused (without power and unable to join the meeting)

Staff Present:

Rick Rogers, District Manager
Gina Nicholls, District Counsel
Holly Hossack, District Secretary
Carly Blanchard, Environmental Planner
Josh Wolff, Engineering Manager
Stephanie Hill, Director of Finance and Business Services
James Furtado, Director of Operations

8. Additions and Deletions:

G. Mahood said that because of the power outages in the Valley the Board will change the agenda by moving items; 10a Public Hearing on the UWMP, 11a Reserve Fund Policy, 11b Biennial Budget, and 11d Fore Recovery Surcharge Outreach. She also announced that the Board has scheduled a special meeting for July 8th to approve construction contracts for the Fish Ladder, the response to the City of Santa Cruz water rights petitions, and an update on the SMGWA.

G. Nicholls added that telephone access to this meeting appears to be available if someone loses internet service they can call in.

9. Oral Communications:

C. Dzendzel made a public comment regarding tiered water rates.

S. Hill said that nothing has been established yet. It will be in discussion.

G. Mahood there will be lots of time for public discussion on this subject.

B. Fultz said he would like that looked at as well.

10. New Business:

a. PUBLIC HEARING AND POSSIBLE ADOPTION OF THE 2020 URBAN WATER MANAGEMENT PLAN
Deferred to end of meeting.

b. ACCEPTANCE OF GRANT FROM THE STATE COASTAL CONSERVANCY
C. Blanchard introduced this item and read from the memo.

Discussion by the Board and staff regarding the allocation of the grant and ranked priority of projects.

M. Smolley made a motion to adopt the attached Resolution No. 23 (20-21) to appoint the District Manager as the District representative to be the signatory and point of contact for the California State Coastal Conservancy's Wildfire Resilience Program.

J. Ackemann seconded the motion.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, J. Ackemann, B. Fultz, M. Smolley, L. Henry

NOES: None

ABSTAIN: None

c. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD ELECTIONS

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

Discussion by the Board and staff regarding this item.

J. Ackemann made a motion to vote for Elaine Magner for the CSDA Board of Directors Seat A in Coastal Network.

M. Smolley seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, J. Ackemann, B. Fultz, M. Smolley

NOES: None

ABSTAIN: L. Henry (absent)

d. FIVE-MILE CONSTRUCTABILITY AWARD

J. Wolff introduced this item and explained that the Engineering Committee has reviewed this information and recommends the Freyer & Laureta bid.

M. Smolley said the he concurred that the Freyer & Laureta was the preferred bid.

Discussion by the Board and staff regarding long term focus, FEMA project status, and public presentations for outreach.

C. Dzendzel made a public comment regarding micro-hydrology generator.

R. Rogers said that the design has not been determined yet.

M. Smolley made the motion that the Board of Directors instruct the District Manager to enter into negotiations as specified in the Request for Proposals for cross country pipeline constructability study with Freyer & Laureta in conformance with the proposals submitted by them in the amount of \$248,500 and dated June 8, 2021.

J. Ackemann seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, J. Ackemann, B. Fultz, M. Smolley

NOES: None

ABSTAIN: L. Henry (absent)

e. AMERICAN WATER INFRASTRUCTURE ACT 2018 EMERGENCY RESPONSE PLAN AWARD

J. Wolff presented this item with a single bid from Sandis in the amount of \$42,120.

Discussion by the Board and staff regarding why are we doing this now, the Engineering Committee reaching out to SVWD regarding their plan, benefits of this plan, terrorism v. vandalism/cyber/risk management, and joining forces with other agencies.

M. Smolley made a motion to direct the District Manager to enter into a contract with Sandis Civil Engineers for development of an Emergency Response Plan in conformance with the Sandis Civil Engineers proposal in the amount of \$42,120.00. Further, to approve budgetary increase for FY21-22 to the proper operating expense account in the amount of \$42,120.00 for this plan development.

J. Ackemann seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, J. Ackemann, B. Fultz, M. Smolley

NOES: None

ABSTAIN: L. Henry (absent)

f. PERSONNEL RECLASSIFICATIONS AND ADDITION

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

J. Ackemann said that she supports the classification changes.

G. Mahood said that she is in favor of all of the personnel changes and especially the promotion of C. Blanchard. She said that she is strongly in favor of the new position of Project Manager.

B. Fultz said that he thinks the way to start reducing operating costs is not to increase head count. He doesn't support the Project Manager position. He requested that the resolution be split into 2 resolutions. He is prepared to vote in favor of part of this but not the whole thing.

G. Mahood asked legal counsel to weigh in on Dr. Fultz's request.

G. Nicholls said it depends on how straightforward the proposal is. Whatever changes that are being proposed have to be clear, simple and well understood by the Board.

B. Fultz said that since the resolutions are not numbered he will use X. His proposal is X-a we would strike the words Project Manager from that one. Everything else would be the same except the table where we would strike the row associated with the Project Manager. Resolution X-b we would strike the Water Quality & Treatment Manager and Accountant Office Supervisor and then in the table have only the Project Manager row.

J. Ackemann said that she would like to have more discussion from the Board. She is not in support of splitting the resolution.

Discussion by the Board regarding the split resolution.

M. Smolley said he is supportive of the positions as listed, including the Project Manager.

G. Nicholls said that a motion that specifically identifies changes that would work. If there is a second it can be voted on.

Discussion by the Board regarding the resolution.

B. Fultz made a motion to approve the resolution 20-21, the first part of it, adoption of the revised compensation schedule for the Management Supervisory and Confidential employees unit of the San Lorenzo Valley Water District for the Water Quality and Treatment Manager and Accountant Office Supervisor as stated in the resolution and appended to be.

Discussion by the Board and staff regarding the Environmental Manager position. R. Rogers noted that the Environmental Manager is already an approved position.

M. Smolley seconded Dir. Fultz's motion.

Alina Layng made a public comment that she supports all of the positions.

ROLL CALL VOTE: MOTION WAS NOT PASSED

AYES: B. Fultz, M. Smolley
NOES: G. Mahood, J. Ackemann
ABSTAIN: L. Henry (absent)

J. Ackemann made a motion to adopt the resolution as it stands, including the Project Manager position and the 2 reclassifications.

M. Smolley seconded.

B. Fultz said that he approves of the promotions of the employees that are working here today. He hopes there can be more collegiality in the future.

J. Ackemann said that she supports all of the staff with the addition of the Project Manager position for staff to have the bandwidth to do all of the things the Board is asking staff to do.

Discussion by the Board regarding the increase of staff.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, J. Ackemann, M. Smolley
NOES: B. Fultz
ABSTAIN: L. Henry (absent)

11. Unfinished Business:

- a. RESERVE FUND POLICY
Deferred to end of meeting.
- b. DRAFT FY 2021-2023 Biennial Budget
Deferred to end of meeting.
- c. UTILITY BILLING POLICY
S. Hill presented this item to the Board.

Discussion by the Board and staff regarding the reasons for the changes to the policy.

B. Fultz made a motion to adopt Resolution No. 25 (20-21) the Interim Utility Billing Policy.

M. Smolley seconded.

ROLL CALL VOTE: MOTION PASSED

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

- d. FIRE RECOVERY SURCHARGE COMMUNITY OUTREACH
Deferred to end of meeting.
- e. INVESTMENT POLICY-TREASURER DESIGNATION
S. Hill introduced this item and explained why this is being brought back to the Board.

G. Nicholls confirmed that this item is to designate the "Treasurer".

J. Ackemann made a motion to adopt the Investment Policy as stated in Resolution No. 26 (20-21).

M. Smolley seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, J. Ackemann, B. Fultz, M. Smolley

NOES: None

ABSTAIN: L. Henry (absent)

10. New Business:

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

B. Fultz noted that the PG&E outage map shows most of our District is out of power. He is uncomfortable in proceeding with important items without community input due to power outage.

Discussion by the Board and staff regarding a special meeting for the items that were previously deferred, timing of UWMP and other items deadlines, and suggestion of comments to the UWMP.

G. Mahood said that she believes that the UWMP and the Biennial Budget should move to another day but the Reserve Fund and Fire Recovery Surcharge should stay on tonight's agenda.

Discussion by the Board and staff regarding Fire Recovery Surcharge deadline, digression of the President to remove items from the agenda, notice of adjournment with when and where the UWMP Public Hearing will take place must be posted within 3 days, and date for the reconvened meeting.

11. Unfinished Business:

- a. RESERVE FUND POLICY

S. Hill introduced this item. She noted that the Fire Recovery Surcharge will be changed from Committed to Restricted.

Discussion by the Board and staff regarding committed/restricted on FRS.

M. Smolley made a motion that the Board adopts the attached Reserve Fund Policy and that the Policy should be in effect immediately and will supercede and replace any previous reserve fund policies.

J. Ackemann seconded the motion and noted the L. Henry has joined the meeting.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, L. Henry, J. Ackemann, B. Fultz, M. Smolley

NOES: None

ABSTAIN: None

d. FIRE RECOVERY SURCHARGE COMMUNITY OUTREACH

C. Blanchard introduced this item. She explained the information that will be posted and shared on social media.

G. Nicholls said that there are links to pertinent information on the website.

Discussion by the Board and staff regarding outreach mailings, one vote per parcel, and properly completed ballots.

12. **Consent Agenda:**

a. SPECIAL BOARD OF DIRECTORS MEETING MINUTES 5.12.21

b. BOARD OF DIRECTORS MEETING MINUTES 5.20.21

Pulled by B. Fultz for a proposed edit. On New Business Item 10a, B. Fultz requested that the following be added to the minutes: *B. Fultz responded that it is the Board's job to set policy for budget increases, not direct staff on how to meet that target, and we have not done that.*

Discussion by the Board and staff regarding Directors Fultz's changing of the minutes.

A. Layng made a public comment that there has been a lot of wasted time in this meeting and changing the minutes is unnecessary.

B. Fultz made a motion to adopt the SLVWD Minutes of 5.20.2021 as amended.

G. Mahood seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, L. Henry, J. Ackemann, B. Fultz, M. Smolley

NOES: None
ABSTAIN: None

- c. BOARD OF DIRECTORS MEETING MINUTES 6.3.21
There were no objections to anything else on the Consent Agenda.

13. 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

G. Mahood said that with the hour in mind, questions or comments on the status reports should be taken up with staff.

B. Fultz made it clear that if staff is contacted directly that the District Manager should be copied.

- **COMMITTEE REPORTS**

- Future Committee Agenda Items
- Committee Meeting Notes/Minutes
 - LADOC Minutes 5.17.21
 - Engineering Committee Minutes 5.18.21
 - B & F Committee Minutes 5.19.21
 - Environmental Committee Minutes 6.2.21
 - Admin Committee Minutes 6.8.21

- **DIRECTORS REPORTS**

14. Written Communication:

- Water District Awarded Grant - SCSentinel 6.11.21

15. Informational Material:

- SLVWD Service and Sphere of Influence Review
<https://www.santacruzlafco.org/wp-content/uploads/2020/11/SLVWD-Service-and-Sphere-Review-Adopted-Version.pdf>

G. Nicholls addressed the Board to say that the Public Hearing for the UWMP will need to have a Notice of Adjournment that specifies the date and time that the meeting is going to continue. The District will then post the Notice of Adjournment within 24 hours of the adjournment tonight.

Discussion by the Board and staff to set a date and time for the reconvening of the meeting.

G. Mahood made a motion to adopt an Order of Adjournment of this meeting until Monday, June 28, 2021, at 6:00 p.m.

J. Ackemann seconded.

ROLL CALL VOTE: MOTION PASSED

AYES: G. Mahood, L. Henry, J. Ackemann, B. Fultz, M. Smolley

NOES: None

ABSTAIN: None

16. Adjournment 8:50 p.m.