

**BOARD OF DIRECTOR'S MINUTES  
SAN LORENZO VALLEY WATER DISTRICT  
BOULDER CREEK, CALIFORNIA**

**June 3, 2004**

The regular meeting of the Board of Directors of the San Lorenzo Valley Water District was called to order by Dir. Ross on Thursday, June 3, 2004 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:31 p.m.

CONVENE MEETING/ROLL CALL:

Roll call showed Dirs. Nelson, Prather, Rapoza and Ross present. Dir. Vierra was absent. District Manager Mueller and Counsel Baird were also present.

MINUTES:

- a. Minutes of the Regular Meeting of May 20, 2004

Dir. Ross made two (2) additions to the Minutes under "Unfinished Business" agenda item 7-a.

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of May 20, 2004, as amended.

ROLL CALL:

Ayes:	Rapoza, Nelson, Prather, Ross
Noes:	None
Absent:	Vierra

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS: None

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

06/03/2004

- a. Full Reconveyance of Deed of Trust; Semperviren's Fund, Inc.

Manager Mueller reported that on October 18, 2000 the District closed escrow on a Purchase Agreement which sold the District's Waterman Gap property to Semperviren's Fund, Inc. for the purchase price of \$10,900,000.00. On May 21, 2004 the District received a final installment payment from Semperviren's Fund, Inc. which fully satisfied all outstanding indebtedness relative to the Purchase Agreement. Manager Mueller is recommending the Board approve Full Reconveyance of the Deed of Trust. In addition, Manager Mueller made two (2) corrections to agenda item 8-a.

Dir. Rapoza stated that the purchase of additional watershed property from the proceeds of Waterman Gap funds has been offset by the investment interest.

Motion was made by Dir. Rapoza to approve Resolution No. 34 (03-04) Full Reconveyance of Deed of Trust; Semperviren's Fund, Inc.

ROLL CALL:

Ayes:	Rapoza, Nelson, Prather, Ross
Noes:	None
Absent:	Vierra

- b. May 18, 2004 Loss Control Committee Meeting Minutes

Motion was made by Dir. Ross to approve the May 18, 2004 Loss Control Committee Meeting Minutes.

ROLL CALL:

Ayes:	Ross, Nelson, Prather, Rapoza
Noes:	None
Absent:	Vierra

- c. Declaration of Surplus Vehicle

Manager Mueller reported that the Fiscal Year Budget 2003-2004 provided for the replacement of Truck No. 238, a 1994 four-wheel drive extended cab pickup truck. This vehicle was assigned to the Field Services Supervisor and has approximately 101, 176 miles on the odometer. In addition, this vehicle has reached its life expectancy and is no longer needed for District use. A new vehicle has been purchased and placed in service to replace Truck No. 238.

Motion was made by Dir. Ross to approve Resolution No. 35 (03-04)  
Declaration of Surplus Vehicle.

ROLL CALL:

Ayes:	Ross, Nelson, Prather, Rapoza
Noes:	None
Absent:	Vierra

d. Fiscal Year Budget 2004/2005

Manager Mueller stated that staff is currently developing a proposed Budget for Fiscal Year 2004/2005. The proposed Annual Budget for Fiscal Year 2004/2005 is currently scheduled for first presentation to the Board at the June 17, 2004 Board of Director's meeting. Final approval is tentatively scheduled for July 1, 2004 Board of Director's meeting. If necessary, it is recommended that the Board consider scheduling an additional Budget Workshop meeting to consider and review the proposed Annual Budget for Fiscal Year 2004/2005.

Dir Rapoza asked who was responsible mandating the deadline for the Budget. Manager Mueller stated that this District's allocation period is through June 30, 2004.

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending June 3, 2004

Motion was made by Dir. Prather to approve the Bill List Period Ending June 3, 2004 in the amount of \$189,170.60.

ROLL CALL:

Ayes:	Prather, Nelson, Rapoza, Ross
Noes:	None
Absent:	Vierra

(2) Department Status Reports

(i) Administration

Dir. Ross inquired on the status of the Watershed Protection Plan. Manager Muller stated he is currently reviewing the Administrative Draft.

Manager Mueller stated that the District is attempting to institutionalize past practices between this District and Fire Districts relative to fire hydrants.

(ii) Operations

Manager Muller reported that the meter change-out program is approximately 3/5 complete for this Fiscal Year.

(iii) Engineering

The Board received the Engineering Department Status Report.

b. Committee/Director Reports (Oral):

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

ADJOURNMENT TO CLOSED SESSION:

Dir. Ross adjourned the meeting to closed session at 7:49 p.m. to approve Minutes of the Closed Session Meeting of May 20, 2004 and to confer with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9-One (1) Potential Case and to confer with Real Property Negotiator (California Government Code 54956.8), Property: APN 81-204-04 and -06, generally located at 12804 Highway 9, Boulder Creek, CA. Agency Negotiator: James Mueller, District Manager, Negotiating Parties: Jean Processor, Under Negotiation: Price and Payment Terms and to confer with Real Property Negotiator.

RECONVENE TO OPEN SESSION TO REPORT ACTIONS TAKEN IN CLOSED SESSION:

a. Minutes of the Closed Session Meeting of May 20, 2004

Motion was made by Dir. Ross to approve the Minutes of the Closed Session Meeting of May 20, 2004, as presented.

ROLL CALL:

Ayes:	Ross, Nelson, Prather, Rapoza
Noes:	None
Absent:	Vierra

- b. CONFERENCE WITH LEGAL COUNSEL -  
ANTICIPATED LITIGATION  
Significant Exposure to Litigation Pursuant to Subdivision (c) of  
Government Code Section 54956.9:  
One (1) Potential Case

No reportable action.

- c. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
(California Government Code 54956.8)  
Property: APN 81-204-04 and -06, generally located at 12804 Highway 9,  
Boulder Creek, CA.  
Agency Negotiator: James Mueller, District Manager  
Negotiating Parties: Jean Prosser  
Under Negotiation: Price and Payment Terms

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 9:15 p.m.

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Kelly Stephens  
District Secretary