

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

**February 5, 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, February 5, 2004 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:30 p.m.

CONVENE MEETING/ROLL CALL:

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

MINUTES

- a. Minutes of the Regular Meeting of January 15, 2004

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of January 15, 2004, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS:

Steve Leonard with California American Water Company was present to say hello to the Board.

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. January 20, 2004 Loss Control Committee Minutes

Motion was made by Dir. Rapoza to approve January 20, 2004 Loss Control Committee Minutes.

02/05/2004

ROLL CALL:

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

b. Authorization to Bid for Inventory Materials for a Six-Month Period

Motion was made by Dir. Prather to approve Authorization to Bid for Inventory Materials for a Six-Month Period.

ROLL CALL:

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

c. Santa Cruz County Trench Cut Cost Recovery Fee Ordinance, Pavement Warranty Agreement

Manager Mueller reported that the Santa Cruz County Board of Supervisors adopted Ordinance No. 4716, commonly known as the “Street Trench Cut Cost Recovery Fee Ordinance”. In lieu of paying Trench Cut Cost Recovery Fees, a public agency may elect to execute an “Agreement for Pavement Life Performance Warranty”. Manager Mueller recommended that Board authorize the District Manager to execute said Agreement.

Evan Jacobs was present and asked the Board if they knew anything about the legal position of Pacific Gas and Electric Company regarding this issue. Manager Mueller stated that he was not familiar with their position on this matter.

Motion was made by Dir. Prather to adopt Resolution No. 18 (03-04) Santa Cruz County Trench Cut Cost Recovery Fee Ordinance, Pavement Warranty Agreement.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending February 5, 2004

Motion was made by Dir. Ross to approve the Bill List Period Ending February 5, 2004 in the amount of \$245,986.40.

ROLL CALL:

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

(2) Cash Flow Period Ending December 31, 2003

The Board received the Cash Flow Period Ending December 31, 2003.

(3) Investment Report Period Ending December 31, 2003

The Board received the Investment Report Period Ending December 31, 2003.

(4) Committee Appointments for Calendar Year 2004

The Board received the Committee Appointments for Calendar Year 2004.

(5) Department Status Reports

(i) Administration

Dir. Prather inquired on the Watershed Management Plan. Manager Mueller stated that he now has an Administrative Draft that should be available for the Board's review in May 2004.

(ii) Operations

The Board received the Operations Department Status Report.

(iii) Engineering

The Board received the Engineering Department Status Report.

b. Committee/Director Reports (Oral):

Dir. Rapoza reported on the February 3, 2004 Finance Committee meeting. Discussion included the Investment Portfolio. Staff was directed to contact

Jim Bargetto, Morgan Stanley, regarding restructuring the portfolio. Staff was directed to come back to the Committee with restructuring information.

Dir. Rapoza informed the Board that a seminar will be held at the Marriott in Fremont on April 26, 2004 “ The Boards Role in Financing Fiscal Accountability”. Dir. Rapoza encouraged the Finance Committee to attend this seminar.

David Ross reported on the scheduled January 28, 2004 Watershed Acquisition Committee meeting. Dir. Ross reported that in exercise of caution the meeting was canceled due to an inconsistency in the Board of Director’s Policy Manual regarding the Brown Act. Staff was directed to correct the Policy Manual and bring back to the Board for consideration.

Walter Heady presented the Board with a report on the January 30, 2004 Sand Lands Conference at Quail Hollow Ranch.

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

b. January 15, 2004 CRWQCB MTBE Report

The Board received the January 15, 2004 CRWQCB MTBE Report.

ADJOURNMENT TO CLOSED SESSION:

Dir. Ross adjourned the meeting to closed session at 8:10 p.m. to approve the Minutes of the Closed Session Meeting of January 15, 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.

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

a. Minutes of the Closed Session Meeting of January 15, 2004

Motion was made by Dir. Ross to approve the Minutes of the Closed Session Meeting of January 15, 2004, as presented.

ROLL CALL:

Ayes: Ross, Nelson, Prather, Rapoza

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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.

ADJOURNMENT:

The meeting was adjourned at 9:11 p.m.

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Kelly Stephens  
District Secretary