

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

The regular meeting of the Board of Directors of the San Lorenzo Valley Water District was called to order by Dir. Vierra on Thursday, December 1, 2005 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, Rapoza, Ross and Vierra present. Dir. Prather arrived at 7:39 p.m. District Manager Mueller and Legal Counsel Hynes were also present. Director of Operations Rogers was absent.

MINUTES:

- a. Minutes of the Regular Meeting of November 17, 2005

Motion was made by Dir. Ross to approve the Minutes of the Regular Meeting of November 17, 2005, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS:

Tod Landis, Boulder Creek was present to address the Board. Mr. Landis reported that there will be a public commission meeting on December 15, 2005 relative to the County's Water Action Plan. In addition, Mr. Landis made a friendly request to the Board to publish the status of the Cal-Am acquisition. Mr. Landis felt that the pace could be faster and would like the Board to put on the Agenda at a future meeting.

Dir. Vierra stated that the District's plan is to keep customers in Felton apprised of the status and eventually get them involved.

Dir. Nelson stated that the public will start to see agenda items on the acquisition in the near future.

WRITTEN COMMUNICATIONS:

- a. November 14, 2005 Correspondence from Wayne Williams Regarding the District's Operations Building

The Board received the November 14, 2005 Correspondence from Wayne Williams Regarding the District's Operations Building. Manager Mueller stated that this item will be discussed at a future date once acquisition of the Johnson property is obtained.

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. Property Purchase Loan Agreement; APN 81-204-03 and -07

Manager Mueller reported that District staff contacted the California Special District Association (CSDA) Municipal Finance Corporation regarding the availability of a loan for the proposed property purchase. The Municipal Finance Corporation has agreed to loan the District the principal amount of \$1,500,000.00 at an interest rate of 4.65% for a term of fifteen (15) years. Manager Mueller reported that the loan would be backed by a pledge of the District's "Net Water Revenues".

Paul Storm, Boulder Creek was present to address the Board. Mr. Storm stated that this District decided to buy the Processor property a year ago. Mr. Storm feels that this Board would have acted differently if the Johnson property was available. Mr. Storm feels that the Board lacks appreciation for the magnitude of the purchase. Larger projects should have long term planning which this Board has not done enough of. The Board's lack of foresight is a detriment to the District. Mr. Storm asked the Board to have some time scales, think long and hard about the plan and ramifications before considering purchasing the Johnson property.

Dir. Vierra stated that purchasing the Johnson property was always part of the plan; however, the Johnson property purchase fell through the first time.

Dir. Rapoza stated that the District had both buildings appraised and looked at other options within limits. This negotiation has been going on for quite a while. Dir. Rapoza stated that tonight's action protects the future of the District.

Motion was made by Dir. Ross to approve Resolution No. 15 (05-06) Property Purchase Loan Agreement; APN 81-204-03 and -07.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending December 1, 2005

Motion was made by Dir. Prather to approve the Bill List Period Ending December 1, 2005 in the amount of \$269,616.08, as presented.

ROLL CALL:

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

(2) Department Status Reports

(i) Administration

Manager Mueller reported that the District received notification from the Switzer Foundation that the grant for Betsy Herbert was approved and she will start work after the first of the year.

Manager Muller will facilitate a meeting with Bear Creek Estates customers in early January 2006.

Manager Mueller reported that the LAFCO hearing for Manana Woods is scheduled for February 1, 2006.

(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): None

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

ADJOURNMENT TO CLOSED SESSION:

Dir. Vierra adjourned the meeting to closed session at 8:00 p.m. to approve Minutes of the Closed Session Meeting of November 17, 2005 and confer with Real Property Negotiator Pursuant to California Government Code 54956.8, Property: APN 081-361-02 generally located in the vicinity of 11530 Empire Grade Road, Santa Cruz, CA. Agency Negotiator: James Mueller, District Manager, Negotiating Parties: Ikey T. Little, Little Trust, Under Negotiation: Price and Payment Terms.

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

- a. Minutes of the Closed Session Meeting of November 17, 2005

Motion was made by Dir. Vierra to approve the Minutes of the Closed Session Meeting of November 17, 2005, as presented.

ROLL CALL:

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

- b. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Pursuant to California Government Code 54956.8  
Property: APN 081-361-02 generally located in the vicinity of 11530 Empire Grade Road, Santa Cruz, CA.  
Agency Negotiator: James Mueller, District Manager  
Negotiating Parties: Ikey T. Little, Little Trust  
Under Negotiation: Price and Payment Terms

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 8:45 p.m.

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Kelly Stephens  
District Secretary