

**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, July 21, 2005 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:33 p.m.

CONVENE MEETING/ROLL CALL:

Roll call showed Dirs. Rapoza, Ross and Vierra present. Dir. Nelson arrived at 7:34 p.m. and Dir. Prather was absent. District Manager Mueller, Director of Operations Rogers and Legal Counsel Baird were also present.

MINUTES:

- a. Minutes of the Special Meeting of June 30, 2005

Motion was made by Dir. Rapoza to approve the Minutes of the Special Meeting of June 30, 2005, as presented.

ROLL CALL:

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

- b. Minutes of the Regular Meeting of July 7, 2005

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of July 7, 2005, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS:

Connie Barr, FLOW representative was present to thank the Board.

Frank Adamson, FLOW representative was also present to thank the Board for their efforts.

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

a. Investment Portfolio Review and Update

Manager Mueller reported that Jim Bargetto, Investment Consultant from Morgan Stanley was present to review and update the Board on the District's Investment Portfolio.

Mr. Bargetto gave the Board a presentation and an overview of the District's Investment Portfolio. Mr. Bargetto stated that the average rate in the current portfolio is 3.55% on all earnings as opposed to 2.85% with LAIF. Mr. Bargetto stated that the portfolio looks outstanding and reported that having a strategy in place rather than predicting rates is the best case scenario. The worst thing the Board could do is try and predict rates.

b. Notice of Acceptance, Underground Fuel Storage Tank Removal Project

Manager Mueller reported that on May 16, 2005, the Board of Directors entered into an agreement with One Earth Environmental, Inc., Hollister, California, for the excavation and disposal of material and complete removal and disposal of an existing aboveground fuel dispenser and three (3) underground fuel storage tanks. Construction commenced on June 13, 2005 and was substantially complete on July 8, 2005.

Motion was made by Dir. Rapoza to approve Resolution No. 2 (05-06) Notice of Acceptance, Underground Fuel Storage Tank Removal Project.

ROLL CALL:

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

c. Education Program Grant Award Final Project Report for "Protecting City Creeks and the San Lorenzo Watershed"

Manager Mueller reported that on May 20, 2004 the Board awarded Education Program Grant Funds in the sum of \$2,499.83 to the City of Scotts Valley for a project entitled “Protecting City Creeks and the San Lorenzo Watershed”. Said proposal provided for creation of a four-color, double-sided, tri-fold brochure titled “Protecting our Watershed”. The mailing distribution was 3,700 and the extra 800 will be available as hand-outs to the general public. The project was initiated by Brenda Stevens, Economic Development/Planning Specialist for the City of Scotts Valley.

On July 8, 2005 the District received the City of Scotts Valley’s Final Project Report. The actual project cost relative to this project has been revised to \$1,563.84.

Motion was made by Dir. Ross to accept the final report for “Protecting City Creeks and the San Lorenzo Watershed”.

ROLL CALL:

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

d. Education Program Grant Award Final Project Report for “O’Neill Sea Odyssey Watershed Model”

Manager Mueller reported that on March 3, 2005 the Board awarded Education Program Grant Funds in the sum of \$788.00 to O’Neill Sea Odyssey for a project entitled “O’Neill Sea Odyssey Watershed Model”. Said proposal provided a hands-on learning tool to demonstrate to youth how daily activities impact the San Lorenzo River watershed. The watershed model is used in the on-shore ecology lesson in O’Neill Sea Odyssey’s (OSO) ocean-based, free hands-on education program. The project was initiated by Dan Haifley, Executive Director of O’Neill Sea Odyssey.

On June 27, 2005 the District received O’Neill Sea Odyssey’s Final Project Report.

Motion was made by Dir. Vierra to accept the final report for “O’Neill Sea Odyssey Watershed Model”.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending July 21, 2005

Motion was made by Dir. Rapoza to approve the Bill List Period Ending July 21, 2005 in the amount of \$115,741.07, as presented.

ROLL CALL:

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

(2) Cash Flow Report Period Ending June 30, 2005

The Board received the Cash Flow Report Period Ending June 30, 2005.

(3) Investment Report Period Ending June 30, 2005

The Board received the Investment Report Period Ending June 30, 2005.

(4) Department Status Reports

(i) Administration

The Board received the Administration Department Status Report.

(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 8:05 p.m. to approve Minutes of the Closed Session Meeting of June 30, 2005 and July 7, 2005 and confer with Labor Negotiator Pursuant to California Government Code Section 54957.6, Agency Negotiator: James Mueller, District Manager, Employee Organizations: Classified Employees Unit; and, Management, Supervisory and Confidential Employees Unit and for Public Employee Performance Evaluation pursuant to California Government Code Section 54957(b)(1), District Manager and District Counsel.

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

- a. Minutes of the Closed Session Meeting of June 30, 2005

Motion was made by Dir. Vierra to approve the Minutes of the Closed Session Meeting of June 30, 2005, as presented.

ROLL CALL:

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

- b. Minutes of the Closed Session Meeting of July 7, 2005

Motion was made by Dir. Vierra to approve the Minutes of the Closed Session Meeting of July 7, 2005, as presented.

ROLL CALL:

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

- c. CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to California Government Code Section 54957.6

Agency Negotiator: James Mueller, District Manager

Employee Organizations: Classified Employees Unit; and, Management, Supervisory and Confidential Employees Unit

No reportable action.

- d. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to California Government Code Section 54957(b)(1)  
District Manager and District Counsel.

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 8:25 p.m.

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Kelly Stephens  
District Secretary