

**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, June 16, 2005 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. Nelson, Rapoza, Ross and Vierra present. Dir. Prather was absent. District Manager Mueller, Director of Operations Rogers and Counsel Hynes were also present.

MINUTES:

- a. Minutes of the Regular Meeting of June 2, 2005

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of June 2, 2005, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS: None

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. Education Program Grant Final Project Report for "An Introduction to Riparian Hydrology and Vegetation Sampling in the Rare and Unique Communities of the San Lorenzo Valley Watershed"

Manager Mueller reported that on March 3, 2005 the Board awarded Education Program Grant Funding for "An Introduction to Riparian Hydrology and Vegetation Sampling in the Rare and Unique Communities

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of the San Lorenzo Valley Watershed” in the amount of \$2,500.00. Said proposal provided for three (3) educational slide show presentations for the San Lorenzo Valley High School Watershed Academy. Classroom presentations focused on the riparian plant communities and their value to wildlife and relationship to watershed hydrology. The project was initiated by Project Applicant, Casey Stewman.

Casey Stewman, Project Applicant presented the Final Project Report for “An Introduction to Riparian Hydrology and Vegetation Sampling in the Rare and Unique Communities of the San Lorenzo Valley Watershed” to the Board.

b. Write-Off of Uncollectable Accounts Fiscal Year 2004/2005

Manager Mueller reported that the Auditor-Controller of Santa Cruz County recommends that each year the District review its uncollectable accounts to evaluate the possibility of collection. Accounts having no likelihood of collection should be written off after approval of the Board of Directors.

Motion was made by Dir. Ross to approve Resolution No. 32 (04-05) Write-Off of Uncollectable Accounts Fiscal Year 2004/2005.

ROLL CALL:

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

c. Ecology Action Workshop Partnership

Manager Mueller reported that the District received a request from Ecology Action of Santa Cruz to co-sponsor and support a series of local workshops relative to the healthy management of land and livestock. Ecology Action is a non-profit environmental organization which provides education and technical assistance to individuals, business and government. Manager Mueller stated that Ecology Action is soliciting the District’s co-sponsorship of the workshop series. Co-sponsorship would include promotion of the workshop series through advertisement on the District’s website and direct mail notification to District customers by means of a bill insert. There are no direct costs to the District associated with co-sponsorship.

Dir. Ross stated that he cannot really think about a policy regarding this issue.

Dir. Vierra felt that this was a worthwhile endeavor.

Dir. Nelson stated that it makes sense and is relative to water quality.

Motion was made by Dir. Ross to authorize the District's co-sponsorship with Ecology Action's workshop series relative to healthy management of land and livestock.

ROLL CALL:

Ayes: Ross, Nelson, Rapoza, Vierra

Noes: None

Absent: Prather

d. Fiscal Year Budget 2005/2006

Manager Mueller presented an overview and review of the Preliminary Draft Budget for Fiscal Year 2005/2006.

Manager Mueller reported that the Finance Committee met on June 15, 2005 and provided staff with some preliminary feedback on the budget.

Manager Mueller reported that overall expenses are anticipated to decrease by approximately \$500,000.00, Materials and Services went down approximately 1% and Personnel Costs were up approximately 8%. In addition, there were no substantial changes to programs. This budget includes property tax shifts of \$300,000.00, which is the second of a two-year shift. It is anticipated that future property tax is scheduled to return.

Manager Mueller reported that the Finance Committee directed staff to put together a Reserve Fund Establishment Policy. In addition, they would like the budget to come back to the full Board in 6 months to assess the budget's progress. It is anticipated that Reserve Funds may be in place by this time.

Manager Mueller reported that the Labor Agreements expire on June 30, 2005. The Preliminary Draft Budget does not include increases associated with these agreements. The Board scheduled a Budget Workshop Meeting for Thursday, June 30, 2005 at 7:30 p.m.

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending June 16, 2005

Motion was made by Dir. Ross to approve the Bill List Period Ending June 16, 2005 in the amount of \$127,310.33, as presented.

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ROLL CALL:

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

(2) Cash Flow Report Period Ending May 31, 2005

The Board received the Cash Flow Report Period Ending May 31, 2005.

(3) Investment Report Period Ending May 31, 2005

The Board received the Investment Report Period Ending May 31, 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):

Manager Mueller reported on the June 15, 2005 Finance Committee Meeting regarding Account Establishment Deposits.

INFORMATIONAL MATERIAL: None

ADJOURNMENT TO CLOSED SESSION:

Dir. Vierra adjourned the meeting to closed session at 9:20 p.m. to approve Minutes of the Closed Session Meeting of June 2, 2005 and confer with Labor Negotiator Pursuant to California Government Code Section 54957.6, Agency Negotiator: James Mueller, District Manager, Employee Organizations: Classified

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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.

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

- a. Minutes of the Closed Session Meeting of June 2, 2005

Motion was made by Dir. Vierra to approve the Minutes of the Closed Session Meeting of June 2, 2005, as presented.

ROLL CALL:

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

- b. 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.

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

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 9:56 p.m.

Kelly Stephens
District Secretary