

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

May 5, 2005

The regular meeting of the Board of Directors of the San Lorenzo Valley Water District was called to order by Dir. Nelson on Thursday, May 5, 2005 in the District's Operations Building, 13057 Highway 9, Boulder Creek, California at 7:34 p.m.

CONVENE MEETING/ROLL CALL:

Roll call showed Dirs. Nelson, Rapoza and Ross present. Dir. Prather and Dir. Vierra arrived at 7:43 p.m. District Manager Mueller and Counsel Toppel were also present.

MINUTES:

- a. Minutes of the Regular Meeting of April 21, 2005

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of April 21, 2005, as amended.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS: None

WRITTEN COMMUNICATIONS:

- a. April 27, 2005 Correspondence from Don Alley Regarding Habitat Enhancement in Lagunitis Creek with Placement of Large Wood Structures

The Board received the April 27, 2005 Correspondence from Don Alley Regarding Habitat Enhancement in Lagunitis Creek with Placement of Large Wood Structures.

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

05/05/2005

NEW BUSINESS:

- a. Budget Amendment and Award of Bid; Underground Fuel Storage Tank Removal Project

Manager Mueller reported that the District currently owns and operates underground fuel storage tanks at two (2) locations: District Administration Building (diesel and gasoline) and Bear Creek Estates Water Works Facility (diesel). Effective January 1, 2004 USEPA adopted new regulations regarding underground dispenser containment. The District's existing underground fuel storage tanks do not comply with the new regulations. Manager Mueller reported that District staff explored the required improvements and costs associated with compliance. Based upon the estimated costs for improvements and, additional regulatory costs associated with continued operation of underground fuel storage tanks, District staff is recommending that the tanks be removed from service. Manager Mueller reported that all three (3) tanks have been out of operation since fall 2004.

Motion was made by Dir. Ross to approve Resolution No. 30 (04-05) Award of Bid; Underground Fuel Storage Tank Removal Project.

ROLL CALL:

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

Motion was made by Dir. Ross to approve Resolution No. 28 (04-05) Budget Amendment for Underground Fuel Storage Tank Removal Project.

ROLL CALL:

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

- b. Application to Santa Cruz Local Agency Formation Commission (LAFCO) for Sphere of Influence Amendment and Annexation of Manana Woods Mutual Water Company

Manager Mueller stated that on March 17, 2005 the Board adopted Resolution No. 22 (04-05) which approved the Manana Woods Mutual Water Company (Manana Woods) Annexation Agreement. Pursuant to terms of the Annexation Agreement, current customers of Manana Woods

will become permanent customers of the District. Manager Mueller reported that LAFCO developed and adopted a Sphere of Influence for the San Lorenzo Valley Water District and in order for LAFCO to conduct proceedings; the District is required to initiate application(s) and submit a resolution to LAFCO.

Motion was made by Dir. Rapoza approve Resolution No. 29 (04-05) Application to Santa Cruz Local Agency Formation Commission (LAFCO) for Sphere of Influence Amendment and Annexation of Manana Woods Mutual Water Company.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

a. Manager

(1) Bill List Period Ending May 5, 2005

Motion was made by Dir. Prather to approve the Bill List Period Ending May 5, 2005 in the amount of \$124,411.27.

ROLL CALL:

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

(2) Department Status Reports

(i) Administration

Manager Mueller reported that the District will be hosting a joint meeting with Scotts Valley Water District on May 26, 2005 @ 7:00 p.m. In addition, Manager Mueller reported that the next Finance Committee meeting will be held on Thursday, May 19, 2005 @ 8:30 a.m.

(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 Santa Margarita Groundwater Basin Advisory Committee meeting on Wednesday, April 27, 2005. Discussions included a report from E-tech Engineering relative to a groundwater model, John Ricker talked about an integrated regional planning effort, Santa Cruz County is applying for Proposition 50 funding for a number of different reasons and Scotts Valley Water District discussed their recycle project.

Dir. Rapoza reported on the Special District Election for LAFCO on Saturday, April 23, 2005. Don Ramos was appointed for a 4 year term and Grant Estrade was appointed as alternate. In addition, Don Ramos was appointed to the Treasury Oversight Commission.

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

ADJOURNMENT TO CLOSED SESSION:

Dir. Vierra adjourned the meeting to closed session at 7:58 p.m. to approve Minutes of the Closed Session Meeting of April 21, 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.

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

a. Minutes of the Closed Session Meeting of April 21, 2005

Motion was made by Dir. Vierra to approve the Minutes of the Closed Session Meeting of April 21, 2005, as presented.

ROLL CALL:

Ayes: Vierra, Nelson, Prather, Rapoza, Ross

Noes: None
Absent: None

- 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.

ADJOURNMENT:

The meeting was adjourned at 8:26 p.m.

Kelly Stephens
District Secretary