

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

January 6, 2005

The regular meeting of the Board of Directors of the San Lorenzo Valley Water District was called to order by Dir. Vierra on Thursday, January 6, 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. Prather, Rapoza, Ross and Vierra present. Dir. Nelson arrived at 8:43 p.m. District Manager Mueller and Counsel Hynes were also present.

MINUTES:

- a. Minutes of the Regular Meeting of December 16, 2004

Motion was made by Dir. Rapoza to approve the Minutes of the Regular Meeting of December 16, 2004, as presented.

ROLL CALL:

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

ADDITIONS AND DELETIONS TO THE AGENDA: None

ORAL COMMUNICATIONS: None

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. Amendment to District Ordinance Regarding Water Bill Adjustments

Manager Mueller reported that existing Ordinance 97 provides a District customer with a one-time water billing adjustment due to faulty fixtures or broken pipes beyond the meter. Bills are adjusted by fifty percent (50%) of

usage in excess of the customer's annual average usage. Excluded from the adjustment is any billing amount in excess of \$2,500.00. The customer is responsible for the remaining outstanding billing amount. Manager Mueller reported that the Finance Committee is proposing an amendment that would modify the methodology the District utilizes to calculate an adjusted water bill. When a customer requests that their water bill be adjusted, the consumptive tier charge applicable to the last unit of usage for the customer's average annual usage will be applied to all usage in excess of the customer's annual average usage. In addition, the \$2,500.00 exclusion would still be applicable. In addition, Manager Muller recommended an editorial change to the Ordinance.

Motion was made by Dir. Ross to adopt Ordinance No. 101 Amendment to Article 12.7, Ordinance 8 to Provide for Water Bill Adjustments, as amended.

ROLL CALL:

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

- b. Notice of Completion, Kings Creek Road Water Distribution System Project

Manger Mueller reported that the Kings Creek Road Water Distribution System Project was substantially complete on November 26, 2004 and a final inspection was performed on December 14, 2004. The original contract amount was adjusted by two (2) change orders. As a result, the final contract amount was \$224,499.59.

Motion was made by Dir. Rapoza to adopt Resolution No. 19 (04-05) Notice of Completion, Kings Creek Road Water Distribution System Project.

ROLL CALL:

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

GENERAL MANAGER'S REPORTS:

- a. Manager

- (1) Bill List Period Ending January 6, 2005

Dir. Ross asked District staff if this was Lewis & Tibbitts, Inc. final pay-off. Manager Mueller stated that this was final payment.

Motion was made by Dir. Ross to approve the Bill List Period Ending January 6, 2005 in the amount of \$229,473.88.

ROLL CALL:

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

(2) Cash Flow Period Ending November 30, 2004

The Board received the Cash Flow Period Ending November 30, 2004.

(3) Investment Report Period Ending November 30, 2004

The Board received the Investment Report Period Ending November 30, 2004.

(4) One-Time Leak Adjustment Status Report
October 1, 2004-December 31, 2004

The Board received the One-Time Leak Adjustment Status Report, October 1, 2004-December 31, 2004.

(5) Water Conservation Credit Programs Status Report
October 1, 2004-December 31, 2004

The Board received the Water Conservation Credit Programs Status Report, October 1, 2004-December 31, 2004.

(6) Department Status Reports
(i) Administration

The Board received the Administration Department Status Report.

(ii) Operations

Dir. Prather asked District staff if it would be appropriate to install a rain station on Nina Tank. Manager Mueller stated he would pass this on to the Operations Manager.

(iii) Engineering

Manager Mueller informed the Board that an ISO (Insurance Service Office) is a complete evaluation of a fire protection agency.

Director of Operations, Rogers reported that there is approximately ½ dozen small trees lying on the shore of Clear Creek. The cutting has stopped, but the District is still not sure whether it is on District property. District staff will be following up on this issue.

b. Committee/Director Reports (Oral):

Dir. Vierra reported on the January 6, 2005 Finance Committee meeting. Issues discussed included designated retained earnings and their dollar amounts for the Financial Statement. In addition, the Finance Committee will be meeting on a recurring basis over the next several months.

INFORMATIONAL MATERIAL:

a. Newspaper Articles

The Board received the Newspaper Articles.

ADJOURNMENT TO CLOSED SESSION:

Dir. Vierra adjourned the meeting to closed session at 7:59 p.m. to approve Minutes of the Closed Session Meeting of December 16, 2004 and to Confer with Legal Counsel – Anticipated Litigation-Initiation of 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 December 16, 2004

Motion was made by Dir. Vierra to approve the Minutes of the Closed Session Meeting of December 16, 2004, as presented.

ROLL CALL:

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

- b. CONFERENCE WITH LEGAL COUNSEL -
ANTICIPATED LITIGATION
Initiation of Litigation Pursuant to Subdivision (c) of Government Code
Section 54956.9:
One (1) Potential Case

No reportable action.

ADJOURNMENT:

The meeting was adjourned at 9:16 p.m.

Kelly Stephens
District Secretary