

**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 Pres. Nelson on Thursday, January 19, 2006, 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. Rapoza, Ross, Vierra and Nelson present. Dir. Prather arrived at 7:45 p.m. District Manager Mueller and Legal Counsel Hynes were also present.

MINUTES

- a. Regular Meeting of January 5, 2006

Motion was made by Dir. Ross to approve the Minutes of the Regular Meeting of January 5, 2006.

ROLL CALL:

Ayes: Ross, Rapoza, Ross, Vierra, Nelson
Noes: NONE
Absent: NONE

ADDITIONS AND DELETIONS TO AGENDA: None

ORAL COMMUNICATIONS:

- a. Lorraine Palmer, Boulder Creek, was present to address the Board regarding the goats on the District's Bear Creek Wastewater property. Ms. Palmer presented a written proposal to provide care for the goat herd on a volunteer basis. This would include a minimum level of care prescribed by the Santa Cruz County Animal Services that would include fresh water, adequate food and shelter, and periodic veterinary checkups.

Dir. Rapoza asked how the District acquired the goats. Manager Mueller stated the previous goat owner abandoned the goats on the District's property. Legal Counsel Hynes advised that because of this the goats now belong to the District. Dir. Vierra stated Ms. Palmer's offer was very generous. Manager Mueller advised staff would research the specific amount the District would have to pay to cover Ms. Palmer as a volunteer with workers compensation insurance. Pres. Nelson moved that the subject be added to the February 2, 2006 agenda for consideration.

WRITTEN COMMUNICATIONS:

- a. Pres. Nelson read an e-mail from A. Frank Adamson, Felton. Mr. Adamson asked that the message be read during this meeting. Mr. Adamson thanked the San Lorenzo Valley Water District Board of Directors and Staff for their integrity and skills in managing the water system. He continued to add that he was grateful for all that the District had done to expedite the process of the acquisition of Cal-Am. He also pointed out that he was no longer able to attend regular meetings, but wanted to thank the Board of Directors for the hospitality and devotion to a common cause.

CONSENT AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. San Lorenzo Valley Sports Complex Committee:

Mr. David Woods, SLV Sports complex Committee, was present and provided the District with additional correspondence that further explained the project. Dir. Ross commented that he was impressed with the information and it was so explicit that he had no questions.

The Board received correspondence from Counsel Hynes which stated based upon the description of benefits in Mr. Wood's letter, the determination by the Board to participate in this project would not be prohibited by Article XVI, section 6 of the California Constitution.

Dir. Rapoza asked how long the project is going to take. Mr. Woods advised they need to have it completed by early summer or they will lose the State of California grant, however they maybe able to extend it a month or two. Dir. Rapoza asked if they had to have the entire project completed or just the track. Mr. Woods thought just the track would suffice. He said they are about \$500,000 short of their goals, but have a number of very large potential donors under consideration.

Dir. Vierra stated he was very impressed with the information and the magnitude of the impact to the environment and the watershed. He commented that it would significantly contribute to the health of the watershed. He voiced concern over the perception from customers if the District donated \$10,000. He suggested that they defer money from the Education Grant Program.

Dir. Ross said he would vote for the donation of \$10,000 but not to take it out of the Education Grant Program. He feels there isn't enough money in the Education Grant Program as it stands.

Dir. Rapoza voiced his concern about the timing of the funding. He stated it would make better sense to take it out of next fiscal years budget. He also felt it was not as much as an educational issue as it was environmental. He suggested that they make the commitment now and provide a letter stating the District's intention and asked Mr. Woods if that would be adequate for the State of California. Mr. Woods stated that most grants are presented as intensions and it should suffice.

Pres. Nelson agreed that he would like to see the District fund the project. After reading the Mr. Wood's excellent and explicit report he can see how the improved facility would benefit the environment of the watershed. He agrees with Dir. Ross that we shouldn't take the money from the Education Grant Program. They had discussed in the past to use some of the interest earnings from the Waterman Gap sale for environmental restoration. This is the same type of expense. Dir. Nelson agrees that is was a good suggestion to defray the funding until July.

Dir. Prather agreed that they should allocate money for a special grant for environmental projects instead of taking money from the Education Grant Program. He also agreed to move the expenditure to the new fiscal year.

Dir. Rapoza asked staff to draft a letter regarding the District's commitment of \$10,000 from a separate budget and when the School District may expect payment.

Mr. Woods stated he would require such documentation by the end of January for February's meeting.

Motion was made by Dir. Rapoza to approve District participation in the San Lorenzo Valley Unified School District proposed sports complex project in the sum of \$10,000 and to fund said participation in Fiscal Year 2006/2007.

ROLL CALL:

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

- b. Education Program Grant Award Final Project Report for "Healthy Rivers, Happy Fish Watershed Conference".

Manager Mueller said that Jodi Frediani, Executive Director, Citizens for Responsible Forest Management (CRFM) had submitted her final report of the “Healthy Rivers, Happy Fish Watershed Conference”. There was a great deal of information included and she was here tonight to answer any questions.

Pres. Nelson stated that he appreciated the good report that Jodi provided and the communication back to the Board. He said it was very complete and asked when the DVD would be available.

Dir. Vierra asked if the conference was broadcast on the local network.

Ms. Frediani stated that they are working on the DVD now and will provide a copy for the District when it’s available. They will also be distributing copies to the local schools. She confirmed that the conference was a success. They had a good audience of public, agencies and students. They did not have as many “school children” present as they wanted but believed the timing conflicted with a local school event. Overall the attendees were favorable of the program and the way it was presented. Ms. Frediani presented three photos of the conference to the Board to keep for their files.

Dir. Rapoza said the response had been good. He was happy of the mention of the San Lorenzo Water District as the supporter. He was disappointed to hear of the poor attendance from the High School.

Pres. Nelson advised that the Environmental Committee Meeting talked about sediment monitoring equipment and program, and was curious if Ms. Frediani could tell him what kind of sediment monitoring are required by the County and what are their restoration goals.

Ms. Frediani said she wasn’t sure. John Ricker, Environmental Health would be the best person to answer that question. She thought there were very little sediment studies but she would be interested in seeing more. The Regional Water Board has required Soquel Creek Water do a base line monitoring to review risks and hazards on the logging (timber harvest) to our water sheds. Brian Detrick is working with them to get equipment for the in stream monitoring. Ms. Frediani asked if there were any more questions, and without any, she excused herself from the meeting.

- c. Agreement for fire hydrant and fire service for Boulder Creek Elementary School.

Manager Mueller stated that the school had a modernization and improvement project that required a new public fire hydrant and fire service.

Motion was made by Dir. Vierra to approve an agreement for a new fire hydrant and fire protection service at Boulder Creek Elementary School.

ROLL CALL:

Ayes: Vierra, Prather, Rapoza, Ross, Nelson

Noes: NONE

Absent: NONE

d. AB1234 Compliance Training

Manager Mueller advised that Assembly Bill 1234, signed into law January 1, 2006, mandates all officials elected or appointed to a local government legislative body, who receives any form of compensation or reimbursement, must receive two (2) hours of ethics training every two (2) years.

Manager Mueller said the closest available CSDA class location is South San Francisco on Friday, February 24, 2006, 9:00 A.M – 11:00 A.M.

Dir. Nelson, Vierra, Rapoza, Prather and Ross all agreed to have Manager Mueller enroll them in this session and at the same time to inquire if there would be a closer location as an alternative.

9. General Manager Reports:

a. Manager

(1) Bill List Period Ending January 19, 2006

Motion was made by Dir. Vierra to approve the bill list in the amount of \$110,171.26

ROLL CALL:

Ayes: Vierra, Prather, Rapoza, Ross, Nelson

Noes: NONE

Absent: NONE

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

The Board received the Cash Flow Report Period ending December 30, 2005.

(3) Leak Adjustment Status Report October 1, 2005 – December 31, 2005

The leak adjustment report was not included in the agenda packet and this item was continued to the next Board Meeting of February 2, 2006.

- (4) Water Conservation Credit Program Status Report September 30, 2005-December 31, 2005.

The Board received the Water Conservation Credit Program Report.

Dir. Nelson asked if we still have money in the program. Manager Mueller said yes. Mr. John Fassolas, Felton, stated they are trying to start a water conservation program and asked if we would share some of our information. Manager Mueller said to contact him for an informative publication he can review. Dir. Rapoza asked if we had any shower heads available for distribution. Manager Mueller said no.

- (5) 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):

INFORMATIONAL MATERIAL:

- a. Newspaper Articles

ADJOURNMENT TO CLOSED SESSION:

Dir. Nelson adjourned the meeting to closed session at 8:35 p.m. to approve Minutes of the Closed Session Meeting of January 2, 2006 and conference with Legal Counsel, anticipated litigation one (1) potential case pursuant to California Government Code Section 54956.9(c)

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

Dir. Nelson reconvened the regular meeting at 9:20 p.m. and reported out that:

- a. Minutes of Closed Session Meeting January 2, 2006, as presented.

Motion was made by Dir. Nelson to approve the Minutes of the Closed Session Meeting of January 2, 2006, as presented.

ROLL CALL:

Ayes: Nelson, Prather, Rapoza, Ross, Vierra

Noes: None

Absent: None

- b. CONFERENCE WITH LEGAL COUNSEL; ANTICIPATED LITIGATION
Pursuant to Government Code Section 54956.9(c)
One (1) potential case.

No reportable action.

ADJOURNMENT

Dir. Nelson adjourned the meeting at 9:20 p.m.

Lynn Barker
District Secretary Pro-tem