



**MINUTES
BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
January 17, 2019**

MISSION STATEMENT: Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

Thursday, January 17, 2019 at 5:00 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA

1. Convene Meeting 5:04 pm
Roll Call: Dir. Fultz, Dir. Swan, Dir. Bruce, Pres. Henry. Dir. Smallman-absent
Staff: District Manager R. Rogers, District Counsel G. Nicholls, District Secretary H. Hossack
2. Additions and Deletions to Closed Session Agenda: None
3. Oral Communications Regarding Items in Closed Session: None
4. Adjournment to Closed Session
 - a. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Vierra v. San Lorenzo Valley Water District, et al.
(Santa Cruz Superior Court Case No. 18CV00890)
 - b. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Holloway v. Showcase Realty Agents, Inc. et al.
(Santa Cruz Superior Court Case No. CV180394; 6th District Court of Appeal Case Nos. H043704, H043492).
 - c. CONFERENCE WITH LEGAL COUNSEL- ANITICIPATED LITIGATION
Government Code Section 54956.9(d)(2)
One Case
5. Convene to Open Session at 6:00 p.m.
6. Report of Actions Taken in Closed Session

The Board voted in closed session - four in favor, zero against, with Director Smallman absent - to stop providing any and all further defense of former Director Terry Vierra in connection with the case of *Holloway v. SLVWD, Vierra, et al.* The Board finds that an actual and specific conflict of interest has arisen because Plaintiff Holloway recently filed a motion for summary judgment seeking over \$800,000 for the District at Mr. Vierra's expense.

7. Roll Call: Dir. Fultz, Dir. Swan, Dir. Bruce, Pres. Henry, Dir. Smallman arrived at 6:02
Staff: Dist. Mgr. R. Rogers, Dist. Counsel G. Nicholls, Environmental Programs Mgr. J. Michelsen, Dir. of Finance & Business Services S. Hill, Dir. of Operations J. Furtado, Dist. Sec. H. Hossack
8. Additions and Deletions to Open Session Agenda: Move 11d to beginning of meeting.
11. d. SANTA MARGARITA GROUNDWATER AGENCY - JOINT POWERS AUTHORITY GUIDING PRINCIPLES & SUSTAINABLE AGENCY ROLES AND RESPONSIBILITIES
Introduction by J. Michelsen
Presentation by Dave Ceppos regarding the SMGWA - JPA guiding principles & sustainable agency roles and responsibilities.
Dir. Smallman asked what SMGWA can recommend, as a best solution, if they decide to build infrastructure to increase water production and water storage, like storm water collection and also building reservoirs? How can our agency fund these projects? How can SMGWA put pressure on our neighboring agencies to pursue the most cost effective projects in production and storage.
D. Ceppos responded-SMGWA has the authority to pursue whatever projects it decides it wants to pursue. At this time there is some new funding that came from Prop 68. Local Bonds and State Bonds will probably also become available. Nothing mandates working with neighboring agencies.
Dir. Bruce asked about the value of eco system services in a groundwater recharge conductive state, facilitating groundwater recharge, stream flow recharge so that you're promoting sustainable water land use though some kind of reward
D. Ceppos responded-that type of thinking is happening in a lot of places. The Water Resources Control Board is looking for a basin (SMGWA) to show that they have tools to control sustainability.
B. Holloway-Boulder Creek yelled "Fire".
Unidentified man asked if there are requirements for de minimis?
D. Ceppos responded that there are between 8,000 and 10,000 wells that qualify for de minimis. Collectively that is a lot.

D. Loewen asked if as a regulatory agency does it have any power to lobby for better funding?

D. Ceppos responded yes.

B. Holloway asked if Mr. Ceppos knew anything about the Felton Water Permit or State water policy rights?

Unidentified woman asked if Mr. Holloway has a question.

Pres. Henry said we are not going to have a conversation between people in the public. She asked Mr. Holloway to please wrap it up.

B. Holloway continued to talk for another 1+ minutes.

D. Ceppos respectfully disagreed with Mr. Holloway.

J. Ricker-Santa Cruz County added that the City of Santa Cruz gets about 40% of its water supply from the Santa Margarita Basin and tributaries of the San Lorenzo.

Presentation by Dave Ceppos of Santa Margarita Groundwater Agency Guiding Principles.

V. Champlin asked if the Guiding Principles can be changed?

D. Ceppos responded yes. He added that the Guiding Principles are available on the SMGWA website and he plugged the SWGWA educational program.

9. Oral Communications: None

10. Unfinished Business:

a. BOARD POLICY MANUAL

Pres. Henry introduced this item. She said that she would like to move that we vote to accept the policy manual with a change about the times of the meetings. Closed Session will be at 5:30 and Open Session at 6:30, even if there is not a Closed Session, Open Session will always be at 6:30.

Dir. Fultz asked for clarification that she was asking for the documents that he submitted be the documents that the Board work on tonight and potentially pass tonight.

Pres. Henry agreed that that is what she wanted to do.

Dir. Fultz suggested a different approach, that the Board go through the document, edit by edit and make that change when we get to it.

Pres. Henry disagreed, she said we are short on time.

Dir. Fultz reworked the document to reflect Pres. Henry's request.

Pres. Henry said that we can always make edits on the Board Policy Manual, we can bring it up at every month.

Dir. Fultz asked if there are any other edits? He made a motion to adopt the Resolution...

Dir. Smallman asked about Board stipends. He also asked about committee members and that the term for public members. He noted that the District had not advertised for the Environmental Committee public member. He would like to clear up the term of a public member on a committee.

Pres. Henry said that we would be interviewing for other committees.

Dir. Fultz agreed that the not advertising for the Environmental Committee was an oversight and that the Environmental Committee should be advertised.

Dir. Fultz made a motion the Resolution No. 26 (18-19) that the Board adopt the Board Policy Manual 2019 based upon Exhibit A with edits by Bob Fultz, Director and that's the one we're going to pass, with edit to the time change.

Dir. Smallman seconded the motion.

DM Rogers asked if the Board was adopting the complete edited version and not address all of the other changes?

Dir. Fultz said it's adopting the entire edit.

DM Rogers said that they haven't discussed a lot of the sections.

Pres. Henry, Dir. Fultz and DM Rogers said that the motion can be made and seconded and there can still be discussion.

Dir. Fultz described the edits he made to the document.

Pres. Henry asked for comments from the public.

B. Holloway-Boulder Creek addressed the Board regarding Robert's v. Sturgis and quorum for committees.

Pres. Henry requested a vote on the motion.

All present voted in favor of the motion. Motion passed.

11. New Business:

Members of the public will be given the opportunity to address each scheduled item prior to Board deliberations. The Chairperson of the Board may establish a time limit for members of the public to address the Board on agenda items.

a. REVIEW ALL COMMITTEES AND MAKE PUBLIC APPOINTMENTS

This item was introduced by Pres. Henry. She addressed the LADOC regarding oversight. She then addressed J. Gomez to say that one of the changes to the Board Policy Manual will be a public member cannot be on 2 committees.

Pres. Henry said that J. Gomez' time on the Environmental Committee will be over at the end of January 2019. She requested that staff immediately send out a request for applications to the Environmental Committee. She said she is very happy with the number of applicants for the committee and that applicants don't have to agree with everything but if you don't agree with the Board's platforms you probably shouldn't apply. Everyone is welcome to apply.

They will not turn anyone away that doesn't necessarily agree with them.

Dir. Fultz asked for clarification on what committee they are talking about now.

Pres. Henry said that she is talking about the Environmental Committee.

Dir. Fultz said we should put out an advertisement for Environmental applications.

DM Rogers said we could bring the applicants to the 1st meeting in March (March 7, 2019).

Pres. Henry agreed. She said that we will be looking at all committee members in December or January, including the March appointee.

DM Rogers asked if that would be clarified in the Board Policy Manual. He questioned if the LADOC would be reviewed yearly also.

Pres. Henry said no.

Dist. Sec. Hossack asked for clarification regarding a replacement committee member.

Pres. Henry said that replacement committee members will only serve for the time left on the 1 year term but they may reapply.

Dir. Smallman he thinks if somebody is appointed in Sept. or Nov. he thinks that term should be for another year. He agrees that a public member should not be on more than one committee.

Pres. Henry said that discussion is for another time.

Dir. Fultz asked are we now focused on appointing someone to the LADOC.

Pres. Henry said she was just reviewing the 2 committees that we have one person on.

B. Holloway said that the committees should follow the same rules as the directors.

T. Nelson thinks that the person should be allowed to stay for the full year term.

Pres. Henry said we're not saying that we will take them off but they can reapply.

R. Moran said he didn't resign from the Environmental Committee, he just didn't reapply.

C. Baughman asked how Pres. Henry came to the conclusion that the Board wouldn't allow someone to be on 2 committees. It hasn't come before the Board for discussion.

Pres. Henry said that she said it was a possibility and that there are going to be changes made. When Jenni was appointed to both committees there was nothing to say she couldn't be on both but there

was also nothing to say she could. Pres. Henry felt there were some real shenanigans going on that C. Baughman was involved in.

C. Baughman asked Pres. Henry to clarify.

Pres. Henry said there was a good applicant for the LADOC but C. Baughman brought in 2 ringers and then voted for J. Gomez, J. Wright and D. Lynch and not the person that was most qualified. That's what she called shenanigans.

C Baughman said that was the judgement of the Board at that time.

Pres. Henry that is her judgement.

Several people were talking over one another.

C. Baughman questioned if Pres. Henry is asking Jenni now.

Pres. Henry said she is just telling her it happened and no she is not telling her to make a decision now. She's just saying it could happen.

C. Baughman said he thinks they should bring back the discussion of whether your changing that rule before you ask somebody to make a decision.

Pres. Henry said it will be discussed. She was letting J. Gomez know what might happen.

J. Gomez took exception to the "ringer" comment. It is untrue and unnecessarily inflammatory.

Pres. Henry disagreed. She said one of the guys said, at the meeting, that he had his arm twisted to be there.

Dist. Counsel Nicholls interrupted for Brown Act reasons and asked Pres. Henry to refocus on the committee appointments.

Pres. Henry agreed and introduced the Administrative Committee.

A. Benkert said he would like to be involved in water and water policy.

C. White said she has legitimate concerns that this Board has no reserves to fund the strategic plan.

Pres. Henry agreed that the strategic plan needs to be looked at.

B. Fultz read excerpts from the applications of T. To and M'Liss Bounds because they were not present. He suggested that 3 people be appointed to the committee. For a total of 5.

Pres. Henry said she would nominate C. White & A. Benkert. She asked if someone else would like to nominate a 3rd person.

Dir. Bruce said that she supports C. White & A. Benkert and would add M. Bounds to the nomination.

Dir. Swan agreed.

Pres. Henry suggested that C. White. A. Benkert and M. Bounds be nominated for the committee.

T. Norton questioned if all of the members would be allowed to vote.

It was explained there is no voting. Committees are advisory only. Pres. Henry said this is an experiment.

T. Norton suggested that one of the 3 be appointed and the other 2 be alternates.

Pres. Henry said that is a good idea but it isn't in the policy.

Dir. Bruce made a motion to appoint A. Benkert, C. White and M. Bounds to the Administrative Committee as the 3 new public members.

B. Fultz seconded.

Dist. Counsel recommended that the motion include mention the new size of the committee.

Dir. Bruce amended her motion to add that those 3 new public members will now constitute a 5-member committee, made up of 2 Board members and 3 public members for the duration of 1 year.

All present voted in favor of the motion. Motion passed.

Pres. Henry introduced the Budget & Finance Committee

B. Fultz read excerpts from the applications of L. Hammack and L. Sanders.

Pres. Henry said only 1 person should be chosen because a 4-member committee would be awkward.

Dir. Bruce said the committee is advisory only.

Dir. Fultz made a motion to appoint L. Hammack & L. Sanders as members of the Budget & Finance Committee with a membership of 4.

Dir. Smallman seconded.

All present voted in favor of the motion. Motion passed.

Pres. Henry invited applicants for the Engineering Committee to speak.

L. Farris addressed the Board regarding his application.

Dir. Fultz read excerpts from the applications from M. Smolley, S. Miracle, J. Busa and D. Fraser.

Pres. Henry nominated M. Smolley, J. Busa and L. Farris.

Dir. Smallman nominated L. Farris, J. Busa and D. Fraser.

Dir. Bruce echoed Pres. Henry's nominations.

Dir. Swan agreed with Pres. Henry's nominations also.

Dir. Fultz also agreed with Pres. Henry's nominations.

T. Norton-Lompico asked why not take all of them?

Pres. Henry she felt it was too many.

Dir. Fultz made a motion to appoint M. Smolley, J. Busa and L. Farris for a committee membership of 5.

Dir. Swan seconded the motion.

All present voted in favor of the motion. Motion passed.

Dir. Fultz commented that he thinks it's great that so many people applied to participate in the SLVWD committees. The District will be looking for more ways to involve the public.

Dir. Swan questioned if the District responds to the applicants that aren't selected.

DM Rogers responded yes.

Pres. Henry said that everyone can attend committee meetings and participate. Even if they don't have a vote, they still have a voice.

Pres. Henry introduce the LADOC

D. Loewen addressed the Board with her qualifications for the LADOC.

Dir. Smallman made a motion to appoint D. Loewen to the LADOC. He noted that the LADOC is a different animal.

Dir. Fultz seconded.

All present voted in favor of the motion. Motion passed.

b. CALIFORNIA ENVIRONMENTAL QUALITY ACT PIPELINE PROJECT

J. Michelsen introduced this item.

Dir. Smallman asked how much this will cost.

J. Michelsen responded that she doesn't have the exact number. We are working with RinCon Associates to do the permitting for the USDA

DM Rogers noted that it is all part of the USDA loan package.

S. Hill noted that the original RinCon contract was about \$80,000.

DM Rogers noted that there are other pipelines but these 2 pipelines happen to go through endangered species habitat.

J. Michelsen added that this a mitigated declaration which requires an initial study. The other pipelines will be a negative dec so they will not require an initial study.

Dir. Fultz questioned how much of the pipe will be above ground?

DM Rogers responded approx. 99.9% will be underground.

Dir. Fultz questioned what is the expected life of the pipe above ground?

DM Rogers doesn't know but will find out.

Dir. Fultz is hoping to use this as a first entry into the new inventory. What is the life span of the report that the District is adopting?

J. Michelsen said she does not believe the report expires.

Dir. Fultz explained that he is asking because if something goes wrong with the USDA.

DM Rogers says that we have a commitment and we're locked in with an interest rate.

Dir. Fultz questioned if the commitment is in writing.

J. Michelsen said that we have an email from them.

DM Rogers said that we signed the final papers the day before the government shut down.

Dir. Bruce noted that even underground pipelines can be vulnerable. Are there pipes can survive catastrophic fire?

DM Rogers HDP you probably could.

Dir. Bruce questioned if the HDP is going above ground for flexibility, does that also cause vulnerability?

DM Rogers responded yes.

Dir. Fultz questioned if there is a difference in price between the HDP and ductile piping.

DM Rogers said he doesn't know without doing a cost analysis.

Dir. Smallman added that HDP is very durable.

Pres. Henry asked Dir. Bruce if she would like to make a motion.

L. Farris added that the cost of the pipe is not substantial but the cost the of the installation cost is very substantial.

Unidentified woman said that one of the benefits of larger mains is that it would provide superior firefighting capabilities but if the pipe melted would that impact the ability to fight fires?

Pres. Henry said if we have a forest fire, it will be fought from the air. Structure fires are where the water pipes and fire flow is important.

Dir. Bruce would like to acknowledge that this is actually well done study.

Pres. Henry noted that it is like reading 2 novels.

Dir. Bruce made a motion to accept this initial study and open the public comment period

The motion was seconded.

All present voted in favor of the motion. Motion passed.

c. SLVWD PROHIBITION OF GLYPHOSATE

Pres. Henry introduced this item.

Dir. Smallman said that he wants to ban glyphosate and the resolution needs to cross out "until the Integrated Pest Management Plan".

DM Rogers said that the intent was to bring this to the Board and to ban glyphosate but do make the permanent ban through the Integrated Pest Management Plan.

Dir. Smallman is concerned that there is wriggle room in the current wording.

DM Rogers wants to go through the transparent, best practices process. The Board can do want it wants, is that correct Gina?

Dist. Counsel G. Nicholls said yes, it is within the Board's power to ban glyphosate.

J. Michelsen wants to read the memo.

Pres. Henry said she thinks the residents of the San Lorenzo Valley have spoken, they do not want glyphosate used.

J. Michelsen said she is not trying to change your mind I just want you to know that we know a lot about glyphosate. It is probably the most studied chemical ever. Glyphosate is probably carcinogenic. The carcinogenic effects are directly related to exposure.

President Henry stated that a human is a lot larger than a frog. We don't know how it effects the little critters.

J. Michelsen responded when you have a dense patch of an invasive species that are crowding out the habitat of endangered species and you only use the glyphosate on the broom in small doses, studies show, the other species will come back.

Pres. Henry says that she has seen other things that are totally different. She says we need to stop using it and we need to ban the use of it.

DM Rogers injected that we were not planning to debate this tonight.

Dir. Swan made a motion to ban it.

Dir. Fultz do we know when we acquired the 14 acres of sandhills habitat?

J. Michelsen responded that it was part of the Olympia Watershed in 1977. The District recognized it was an important watershed supply.

Dir. Fultz asked if the 57 acres the only quality sandhills habitat left and are they contiguous.

J. Michelsen explained that there are varying qualities of sandhills habitat. The 57 acres are the Sand Parkland Habitat and she described the area.

Dir. Fultz on the calculation for the 1 oz. of glyphosate used per acre, is that a measured amount or an average?

J. Michelsen responded that is an average.

Dir. Fultz questioned the wording of the memo.

J. Michelsen explain the process. It's up to the community to have the public debate.

Dir. Fultz said that he can go either way. To strike the clause about the Integrated Pest Management Plan or not. At the end of the day if the IPMP came back with glyphosate I'd simply move to strike it.

Dir. Smallman said that Dir. Swan made the motion to ban glyphosate.

Dist. Counsel Nicholls made a legal clarification; the word forever is essentially irrelevant.

DM Rogers noted that as the Board moves ahead with the IPMP the Board has to look at this piece of property and develop a plan to eradicate the invasive species. Previous Boards have spent thousands of dollars to

eradicate invasive species only to have them return because there isn't an ongoing plan.

Dir. Fultz asked if the 14 acres contain our wells.

DM Rogers said no they are not in the middle of the 14 acres.

Dir. Fultz suggested that other organizations might be better suited to manage the property.

S. Hill enquired if our land trust contains this acreage.

J. Michelsen said that part of the 14 acres is in the preserve.

Dir. Bruce said that we must consider our employees, our residents and the landscape that we are stewards of. We need to talk about the costs to eradicate the broom from the lands we are stewards of through physical means. The Board should consider how much it costs to eradicate the broom using other means and how much it costs to use glyphosate. The local hardware store sells gallons of Roundup compared to the 16 ounces the District used in 2 years. The County and Caltrans use the stuff by the truckload. This needs to be brought into the conversation, let's acknowledge the long term stewardship costs.

Unidentified woman said that she spoke to Mark Stone about this issue. He told her that he got glyphosate banned in the County. She questioned alternatives to glyphosate.

R. Moran explained his opinion on glyphosate. He wants non conditional ban on glyphosate.

J. Gomez explained her opinion said that she is not pro glyphosate, she is pro Sandhills Parkland.

L. Summers-Boulder Creek described her experience pulling broom. She said that she doesn't advocate for glyphosate but in some instances it is useful.

Suzanne Schettler-Ben Lomond said that the cancer related to glyphosate is caused by careless contact, not using protective equipment. She questioned if anyone has tested the water for glyphosate.

DM Rogers said that the water has been tested with not sign of residual glyphosate. J. Michelsen concurred.

D. Loewen-Lompico shared her opinion on glyphosate use. She encouraged the Board to ban glyphosate completely.

V. Champlin-Brookdale said that there are already glyphosate resistant plants. A choice should be based on science.

T. Nelson just because someone is opposed to glyphosate doesn't mean they are against the sandhills habitat. Stop using until all of the tests are completed.

C. Baughman what are you going to do instead of glyphosate? It has been suggested that funds should not be spent on protecting these precious ecosystems. Our mission includes protection of the watersheds as well as providing water. The Board should develop a plan to get rid of the broom, if not with glyphosate, then with something else.

L. Farris requested that the District post the glyphosate testing.

C. White-Ben Lomond what are the long term costs of eradicating the broom.

Pres. Henry questioned how we pay for glyphosate. She has seen many species disappear. No one knows what glyphosate can do. She knows that the broom needs to be dealt but would like to see the Board ban glyphosate tonight.

Dir. Smallman said he is probably the only person here tonight that has bid this kind of work. He said it is a negligible difference in cost between pulling broom and using glyosphate. His plan is to do small areas of pulling with a pull permit and a careful biological monitor.

Dir. Swan made a motion to ban glyphosate and strike the language on the resolution saying *until the Integrated Management Plan is completed*.

Dir. Smallman seconded.

4 Directors voted in favor of Resolution No. 26 (18-19), Dir. Bruce voted no. Motion passed.

12. Consent Agenda:

- a. MINUTES FROM BOARD OF DIRECTORS MEETING JANUARY 3, 2019

Consideration and possible action by the Board to approve minutes from the January 3, 2019 BoD meeting.

The minutes were approved.

13. District Reports:

No action will be taken and discussion may be limited at the Chairperson's discretion. The District encourages that questions be submitted in writing (bod@slvwd.com) on items listed in the District Reports. Questions submitted, if any, will be posted in the next available District Reports, along with a reply.

- DEPARTMENT STATUS REPORTS

Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.

- Administration/Engineering
- Finance
- Environmental
- Operations
- Legal

R. Rogers introduced this item.

Dir. Bruce asked about LAFCO and the Bear Creek Wastewater.

DM Rogers said that he was contacted by LAFCO because they are going to commission a study on the Bear Creek Wastewater and some other facilities throughout the County.

B. Fultz said he would like to get the engineering study done for BCEWW in an expedited fashion.

J. Michelsen asked that Dir. Fultz phone her so that they can make sure his questions are being answered.

Dir. Smallman added to the BCEWW conversation.

DM Rogers responded thinks once some work is done and the system is upgraded it will be a more palatable situation.

S. Hill added that USDA loan was locked in at the 4% rate.

Dir. Swan asked about the payments to Don Alley.

J. Michelsen said that by payments are not monthly but project specific.

Dir. Swan continued with a question about the Fall Creek Fish Passage, what was that for?

J. Michelsen responded that the District contracted with him awhile ago and he finally completed the project.

Dir. Swan questioned if we cross charge other agencies for his services.

J. Michelsen explained that he was working on our project, no other agencies were involved. There are other projects for which we are collaborative.

Dir. Swan continued to question other invoices.

Dir. Fultz questioned the Written Communications, have we responded to Sharon Tapper?

DM Rogers said that she was responded to, all water quality concerns are responded to.

L. Farris asked about the UCSC Climate Change Symposium.

Dir. Bruce said the information will be on the Feb. 7th BoD.

- COMMITTEE REPORTS
 - Future Committee Agenda Items
 - Committee Meeting Notes/Minutes

14. Written Communication:

- Email from S. Tapper
- Email from M. Lee

15. Informational Material: None

16. Adjournment 9:44 pm