



**MINUTES OF  
BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER DISTRICT  
September 20, 2018**

**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, September 20, 2018 at 5:00 p.m.,** Highlands Park Senior Center, 8500 CA-9, Ben Lomond, CA.

1. Convene Meeting 5:02 p.m.  
A motion was made and seconded to excuse Dir. Hayes. All present voted in favor of the motion. The motion passed.  
Roll Call: Dir. Ratcliffe, Pres. Baughman, Dir. Smallman  
Staff: Acting District Manager Rogers, General Counsel G. Nicholls and H. Hossack-Dist. Sec.
2. Additions and Deletions to Closed Session Agenda: None
3. Oral Communications Regarding Items in Closed Session: None
4. Adjournment to Closed Session 5:04 p.m.  
Director Bruce arrived at 5:05 p.m.
  - 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- EXISTING LITIGATION  
Government Code Section 54956.9(d)(1)  
DeBert v. San Lorenzo Valley Water District et al. (Santa Cruz County Superior Court Case No. 17CV02729).

5. Convene to Open Session at 6:30 p.m.  
Present: Dir. Bruce, Dir. Ratcliffe, Pres. Baughman, Dir. Smallman  
Staff: G. Nicholls, J. Michelsen-Environmental Programs Mgr., R. Rogers, S. Hill-Director of Finance and Business Services, J. Furtado-Acting Dir. of Operations and H. Hossack
6. Report of Actions Taken in Closed Session: None
7. Additions and Deletions to Open Session Agenda: None
8. Oral Communications:  
D. Loewen-Lompico, B. Holloway-Boulder Creek addressed the Board.
9. Unfinished Business:
  - a. EDUCATION GRANT FINAL REPORT  
J. Michelsen introduced this item.  
F. McPherson addressed the Board and described the Turkey Foot video. The video was shown.  
Discussion by the Board, staff and F. McPherson regarding a video produced by Fred and Roberta McPherson - Turkey Foot.  
A motion was made and seconded to accept this report. All present voted in favor. Motion passed.
  - b. LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE APPOINTMENTS  
R. Rogers introduced this item.  
Pres. Baughman described how the process would work.  
J. Gomez, D. Lynch, J. Wright and D. Loewen addressed the Committee.  
L. Henry-Lompico, B. Holloway and B. Fultz-Boulder Creek addressed the Board.  
Discussion by the Board regarding possible Committee appointments.  
Dir. Bruce asked what the most important issue on LADOC:  
J. Gomez, D. Lynch, J. Wright, D. Loewen responded to the question.  
Dir. Smallman asked do you understand the responsibility and how much time have you spend looking at this:  
D. Lynch, J. Gomez, J. Wright, D. Loewen responded to the question.  
Dir. Ratcliffe addressed the applicants.  
Pres. Baughman asked if the applicants understand the LADOC's role in the District.  
J. Gomez, D. Lynch, D. Loewen addressed the Committee.

Discussion by the Board.

A motion was made and seconded to appoint D. Lynch, J. Wright and J. Gomez to the LADOC. Three votes in favor and one (Smallman) opposed.

DM Rogers described the next steps for the LADOC.

Gen. Counsel addressed the Board and the new appointees.

c. LEAK ADJUSTMENT POLICY

S. Hill introduced this item.

Discussion by the Board and staff regarding the Leak Adjustment Policy.

A motion was made and seconded to adopt the Leak Adjustment Policy. All present voted in favor. The motion passed.

d. USDA LOAN APPLICATION UPDATE

DM Rogers introduced this item.

K. Plonka gave a presentation on the USDA Loan application update.

DM Rogers requested clarification regarding the change in the price.

K. Plonka responded to the request.

Discussion by the Board and presenter.

L. Ferris-Felton, D. Loewen and B. Fultz addressed the Board.

e. REQUEST FOR EXTENSION FOR ON-CALL AS-NEEDED  
ENGINEERING CONTRACT WITH WSC ENGINEERING

DM Rogers introduced this item.

B. Fultz addressed the Board.

Discussion by the Board and staff regarding an increase of \$50K for on-call as-needed engineering contract with WSC Engineering.

A motion was made and seconded to approve the extension of the contract for on-call as-needed engineering. All present voted in favor. The motion passed.

f. SCHEDULE FOR BOARD OF DIRECTORS MEETINGS THROUGH THE  
END OF 2018

H. Hossack introduced this item.

J. Gomez, B. Holloway addressed the Board.

Discussion by the Board regarding BoD meetings for the remainder of 2018.

A motion was made to approve the proposed scheduling changes. All present voted in favor. Motion passed.

10. New Business:

a. SAN LORENZO VALLEY HABITAT RESTORATION PROGRAM

J. Michelsen introduced this item.

FIVE MINUTE RECESS

Discussion by the Board regarding the SLV Habitat Restoration Program presented by Linda Skeff.

A motion was made and seconded to support the SLV Habitat Restoration Program with \$1000. All present voted in favor. Motion passed.

b. OLYMPIA MITIGATION RESERVE ENDOWMENT

S. Hill introduced this item.

Discussion by the Board and staff regarding the Olympia Mitigation Reserve Endowment.

B. Fultz, B. Holloway addressed the Board.

Discussion by the Board.

A motion was made and seconded to approve the Community Foundation Santa Cruz County Endowment fund and we select the socially responsible long term pool fund. All present voted in favor. Motion passed.

c. PROPOSED RESOLUTION NO. 7 (18-19) TO UPDATE THE DISTRICT'S POLICIES AND PROCEDURES FOR CONDUCTING PROPOSITION 218 PROCEEDINGS

G. Nicholls introduced this item.

Discussion by the Board and staff to revise Article V of the District's Policies and Procedures for conducting Proposition 218 proceedings.

B. Holloway addressed the Board.

Discussion by Board and staff.

A motion was made and seconded to approve the changes to the Prop 218 process (Resolution No. 7 (18-19)) with the proviso that the revised Policy and Procedure come back to the Admin Committee for further discussion and the Article XII reference should read Article XIII. All present voted in favor. Motion passed.

d. BEAR CREEK ESTATES WASTEWATER ENTERPRISE PROPOSED SEWER RATES

S. Hill introduced this item.

B. Fultz addressed the Board.

Discussion by the Board and staff regarding initiating the Proposition 218 process for proposed increases to wastewater rates for Bear Creek Estates.



A motion was made and seconded to authorize staff to mail the Prop 218 Notice to property owners and customers and to appoint the Board Secretary to serve as our arbiter to this Prop 218 process.

Discussion by the Board and staff.

Three Board members voted in favor, one (Smallman) voted no. Motion passed.

e. 2017/18 ANNUAL EMPLOYEE REIMBURSEMENT

S. Hill introduced this item

Discussion by the Board regarding the 2017/18 Annual Employee Reimbursement.

B. Holloway addressed the Board.

Board accepted the report

f. ACTING DISTRICT MANAGER SALARY

Pres. Baughman introduced this item.

Discussion and possible action by the Board regarding the Acting District Manager Salary.

L. Ferris and B. Holloway addressed the Board.

Discussion by the Board and staff.

Motion was made and seconded for the Interim District Manager's salary to be raised 21.42%. All present voted in favor. Motion passed.

g. 2018 CONFLICT OF INTEREST CODE

G. Nicholls introduced this item.

Discussion by the Board regarding proposed updates to the Conflict of Interest Code.

B. Holloway and B. Fultz addressed the Board.

Discussion by the Board and staff.

A motion was made and seconded to approve the amended Conflict of Interest Code as submitted for our consideration by our legal counsel. Bruce, Ratcliffe and Baughman voted in favor and Smallman voted no. Motion passed.

h. DISTRICT MANAGER RECRUITMENT

Acting DM Rogers introduced this item.

B. Fultz addressed the Board.

Discussion by the Board regarding recruitment for a new District Manager. The Acting Dist. Mgr. and Legal Counsel will bring a 3 year contract to the next BoD meeting.

i. 150 YEARS OF FELTON CELEBRATION

DM Rogers introduced this item.

Discussion by the Board regarding 150 Years of Felton Celebration request for water truck.

B. Fultz addressed the Board.

A motion was made and seconded to approve the expenditure to support the 150 years of Felton for \$650. All present voted in favor. Motion passed.

j. INVESTMENT BANKING AGREEMENT

S. Hill introduced this item.

Discussion by the Board regarding the Investment Banking Agreement.

B. Fultz addressed the Board.

Pres. Baughman made a recommendation that was seconded that the Board designate Acting District Mgr. to enter into the agreement. All present voted in favor. Motion passed.

11. Consent Agenda:

a. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING  
JUNE 27, 2018.

b. MINUTES FROM BOARD OF DIRECTORS MEETING AUGUST 16,  
2018.

c. REVISED AGREEMENT FOR FIRE HYDRANT, WATER METER AND  
FIRE SERVICES INSTALLATION  
A motion was made and seconded to approve the Consent Agenda. All  
present voted in favor.

12. District Reports:

Discussion by the Board and staff.

- 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

- COMMITTEE REPORTS

- Future Committee Agenda Items
- Committee Meeting Notes/Minutes

1. Environmental Committee August 21, 2018
2. Special Budget & Finance Committee September 12, 2018
3. Ad Hoc Committee

- DIRECTORS REPORTS
  - Director's Communication
  - Future Board of Directors Meeting Agenda Items

13. Written Communication:

- State Water Resources Control Board - Permit Amendment No. 7  
DM Rogers addressed the Board.

14. Informational Material:

- Navigating Purpose and Collaboration in Social Impact Networks
- Water Dist. Candidate Forum is Sept. 25
- Email from B. Maxfield  
B. Fultz addressed the Board.

15. Adjournment 10:22