



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
MINUTES
June 20, 2019**

Thursday, June 20, 2019 at 6:30 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA 95006 and teleconferencing from Vorsfelder Strase 9, 38471 Brechtorf, Germany.

1. Convene Meeting 6:30 p.m.

Roll Call: Dir. Farris, Dir. Swan, Pres. Henry were present. Dir. Fultz will be teleconferencing in from Germany (6:44 p.m.). Dir. Smallman was absent.
Staff: R. Rogers-Dist. Manager, S. Hill-Dir. of Finance & Business Services, J. Michelsen-Environmental Manager, D. Langfield-Engineering Mgr., G. Nicholls-Dist. Counsel, H. Hossack-Dist. Secretary

2. Additions and Deletions to Agenda:

R. Rogers would like to move item 5a to the first item of business.

3. Oral Communications:

L. Henry explained the process and requested that each speaker address the Board and not to talk among themselves.

L. Ford-Felton, said that he had a very useful meeting with Director Farris and it seems to him that the Board is missing an important opportunity to be prepared for fire management and also earthquake damage recovery. Cutting the environmental programs are going to compromise the ability manage this issues. Instead of cutting budgets, you should focus on new, creative ways to generate new revenue.

J. Mosher-Felton, he was sad to see that the water at the Redwood Mtn. Faire came from Santa Cruz City Water.

J. Gomez-Lompico, said that she attended a meeting regarding PG&E. She noted how wonderful it is to have local utilities with interest in the community versus PG&E. PG&E has no environmental stewardship, no conservation and they are only concerned about their bottom line, profits and bonuses. They are killing their customers and gouging us to do it.

C. Finnie-Boulder Creek, said that environmental stewardship is more that banning glyphosate. Our watershed is a resource that provides us with the clean water that we all value. Once lost it is not easy to recover and the same goes for our aquifer.

E. Fresco-Felton, said she agrees with everyone that has spoken and asked if anyone has ideas about how to get more revenue, what can we do? Can we charge more for water to those that use more?

D. Loewen-Lompico, said she is reading a book from the 1960's that has a section about the San Lorenzo Valley with a list of water projects and the environmental protection. #1 was fixing all of the leaks in the system.

V. Campbell-Felton, she works at Soquel Creek Water Dist. and the Water Conservation Coalition, communicating to all of county agencies. Started to serve the whole community and county sharing media costs to benefit all of the county water districts with similar issues. SLVWD has been a member for many years and paid into the program based on the number of water connections.

5. New Business:

a. BOULDER CREEK BUSINESS ASSOCIATION REQUEST TO PLACE A BENCH ON DISTRICT PROPERTY

R. Rogers introduced this item.

T. O'Kelly, K. Edwards from the Boulder Creek Business Association introduced the BCBA project for placing benches in downtown Boulder Creek. Fundraising is the only source of income for the BCBA. They are starting with one bench as a pilot project. They need a space that is on private property, because of the CalTrans right of way and permitting requirements, to place the pilot project bench. They are looking at several sites downtown, including the site in front of the SLVWD Ops Bldg. K. Edwards added that a cleaner has been hired to maintain the downtown, once a month. The trash cans have been sited and they can't change the location of trash cans.

L. Farris clarified that we are talking about a bench and flowers pots, but not a trash can.

T. O'Kelly said she is just talking about the bench.

S. Swan asked if the BCBA is able to meet the conditions set by the Dist. Manger.

T. O'Kelly it is a BCBA Board decision; they were not aware of the conditions until tonight.

E. Fresco to clarify, if the District says yes, you might still choose another location.

T. O'Kelly said that is correct, it is a BCBA Board decision.

B. Springer said when the park was put in Felton there was a lot of concern that it would attract homeless. That park has proved to be an asset to the community.

C. Baughman sounds like you thought this through this process very well. He thinks the District should give it a try.

V. Campbell will a recycle bin be included with the trash can?

T. O'Kelly said yes, trash and recycling will be available.

R. Rogers said most important things outlined as bullet points in the memo are liability and trash cans.

4. Unfinished Business:

a. PUBLIC MEMBER COMMITTEE APPOINTMENTS

R. Rogers introduced this item.

S. Architzel introduced himself as an auditor at UCSC with a strong financial background.

L. Henry welcomed Mr. Architzel.

L. Farris made a motion to add Steve Architzel to the Budget & Finance Committee.

J. Mosher said that he was pleased to see his application in the Board packet, he thinks S. Architzel will be a positive addition to the Committee.

C. Baughman said he has an impressive resume and will be a wonderful addition to the Committee.

B. Fultz said he has an impressive resume and he looks forward to having his expertise on the Committee.

L. Henry said that she is very impressed.

S. Swan seconded the motion.

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

R. Rogers added that the District will not actively advertise the other unfilled committee openings but will continue to post in Lompico and keep the applications on the website.

D. Loewen said she would prefer that the District advertise on Next Door and Facebook. She doesn't believe that the letter was very effective.

b. FISCAL YEAR 2019/20 BUDGET

R. Rogers introduced this item and then turned it over to the Director of Finance.

S. Hill presented the Budget. She would like to go over the highlights. The overall budget is \$19.8 million, \$8.8 million of that is in Capital Projects. We are trying to lock in a loan with very low rates for CIP with more flexibility. Operating expenses remain relatively flat to the prior year budget. Operating revenues are considered similar with water usage and the slated rate increase.

L. Farris questioned the Environmental Dept.

J. Michelsen said that there won't be any progress on water conservation, environmental education or land management.

S. Swan said the he loves the budget.

L. Henry water conservation will still happen.

B. Fultz thanked Stephanie for a great job on the Budget. When can we start spending \$8 million on capital projects.

S. Hill said that the loan will be 30-45 day process.

L. Ford said he can't find in the budget where is the water system upgrade to make the District more resilient in a major wildfire.

R. Rogers said the budget does provide for water pipes to move water from one end of the valley to the other. The Probation Tank and Swim Tank are projects in the works in the budget. We are also working on the Water Master Plan, where we look at the entire system to find where we are deficient. The budget has 8 additional generators for water during the planned electric shut offs by PG&E. This budget is aggressive for the replacement of infrastructure.

L. Ford questioned how many years will it take to prepare for a major fire?

R. Rogers said we will probably never be completely prepared. It's an ongoing project. The Master Plan will tell us what we need but the cost will scare the us, we need to just keep moving on the projects.

L. Farris said what is this Board going to do about fire planning? Why have prior Boards ignored this issue? The discussion has been started on the Environmental Committee.

E. Fresco questioned if there will be a rate increase this year.

L. Henry responded that there was a 5 year plan for rate increases every year and this is the 3rd year.

E. Fresco said that the environmental portion of the budget is 4 - 5% of the of all of the expenses and that has been cut.

L. Henry we have so much to do on the pipes, pumps and tanks.

J. Mosher noted that in the issue of environmental programming how important water conservation is. For the PG&E shut offs, water conservation is going to be critical. Why would the Environmental program be cut?

J. Gomez said environmental compliance is required for all of the CIP projects. The Board has to find a way to manage the Olympia Watershed.

C. Baughman is happy to see that it is possible to have a very aggressive Capital Program. What is your long term reserve plan?

D. Loewen said she is concerned about fire service. There are fine groups that can provide conservation education but can't replace tanks.

C. Finnie said that she is concerned that environmental water quality, and making our properties less vulnerable to fire need to be funded also, or the cost in the future could be much higher.

A. Zilber (sp?) said that environmental stewardship is not just the absence of the application of glyphosate, it means paying attention to the environment that you are running your water system in. Things like monitoring fish habitat, restoration practices, stream monitoring are important. Reconsider cutting staff for those purposes.

B. Springer a budget is a statement of values. The values of this Valley have always been for strong environmental stewardship. There are only 2 public agencies that govern this area and this District is one of them. She is seeing a token savings going into reserves, and the cost of doing that is making a statement. The statement it is making is that protecting our environment is no longer important here. Think about protecting this area and maintaining our values in memory of Fred McPherson.

V. Campbell very disappointed in elimination of the Water Conservation Specialist position. Environmental education from the water district is important for the bigger picture of how our water system works.

B. Fultz said the water we are taking out of the watershed is about 25% more than we are providing to customers. The quick and sustainable way to stop the wasted water is to stop the leaks.

G. Nicholls noted that Dir. Fultz is in Germany.

L. Farris said he is not an environmentalist but he can appreciate everything the environmentalists have come to say this evening and he asks the public to come to the Environmental Committee meetings and help set priorities. He said if we can agree on the top Environmental issues that are not being funded, he will take them to the Board and ask for funding.

S. Swan made a motion to approve Resolution No.33 adopting the Fiscal Year 2019/2020 Budget in its present form.

L. Farris seconded.

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

5. New Business:

b. BEAR CREEK ESTATES WASTEWATER TREATMENT FACILITY
ALTERNATIVES ANALYSIS - REQUEST FOR PROPOSALS

R. Rogers introduced this item and turned it over to the Engineering Manager.

D. Langfield said that the Engineering Committee recommended that the proposal be rejected and that additional evaluation be conducted of the firms that we solicited. The RFP was sent to 15 firms; he said he contacted the 15 firms and 4 of the firms said they do this type of work. The other 11 firms said they don't have the technical expertise. One of the 4 firms is WSC but because they wrote the RFP for the District, they were unable to submit a proposal. Two of the firms are very large and weren't interested in such a small project. Which left the one firm we received a proposal from.

L. Henry questioned what happens if we reject this proposal.

D. Langfield said there are other firms that might be interested and submit a proposal

R. Rogers said now that we have an engineer on staff we can follow through. The one firm that did submit has been working on the project and one of the customers of BCEWW felt that the one that submitted hasn't been able to get the plant into compliance.

L. Henry questioned the scope of the project.

D. Langfield said that the State Board has tasked the District with 50% nitrogen reduction in the discharge.

R. Rogers said we think when we reject this proposal, we go out to bid and Darren will work with individual consultants to solicit proposals.

L. Henry questioned if the Board needs to vote to reject this bid.

D. Langfield said that he would like to send the revised RFP out to 5 or 6 firms that are targeted for this kind of work. Hoping to get proposals from 3 or 4 of them.

L. Farris commented on the process. Are you casting a broader net?

D. Langfield not casting a broader net, but targeting firms with compatible credentials.

L. Farris said that the other reason that we're recommending rejection is that there was a critical specification error on the proposal.

D. Langfield said it was an error in what was actually achieved, not a substantial mistake.

Discussion by Board and staff regarding the RFP.

D. Langfield asked for a point of clarification. If we reject this bid and we go out and no proposals. Do we still retain the ability to select a firm and negotiate with that firm? Or by rejecting this proposal have we lost that ability?

G. Nicholls there will always be a path forward if you want to go back to these folks. This is a services contract and not a construction contract so the requirements are less formal. You can include them in the re-solicitation or if you do not receive any new proposals, you can ask them to submit again.

C. Finnie questioned if this is the State Water Board that you are dealing with on this matter.

R. Rogers said that is correct.

B. Fultz said we have to get our neighbors in Bear Creek Estates into a new system as soon as possible. He thanked D. Langfield for his efforts.

S. Swan made a motion that the Board reject the proposal from IEC and direct staff to look elsewhere.

L. Henry seconded the motion.

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

6. Consent Agenda:

a. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING
MAY 29, 2019

L. Henry requested that we pull the minutes from the Consent Agenda.

G. Nicholls clarified that there was not a report out but President Henry did make the comments listed.

L. Farris made a motion to approve the Special Meeting minutes from the May 29th BoD meeting with the clarification that there was no report out from Closed Session, just comments by the president.

S. Swan seconded the motion.

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

7. District Reports:

- DEPARTMENT STATUS REPORTS
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
 - Engineering
 - Environmental
 - Finance & Business
 - Legal
 - Operations

G. Nicholls updated the Board that she received confirmation today that the proceeds in the Holloway/Vierra matter have been dispersed and therefore the District will be filing a dismissal of the cross complaint.

B. Fultz signed off 8:25

- COMMITTEE REPORTS

- Future Committee Agenda Items
- Committee Meeting Notes/Minutes
 - LADOC Regular Quarterly Meeting - 5.28.1

L. Farris summarized the Environmental meeting 6.13.19

8. Written Communication: None

9. Informational Material:

- SDRMA 2017-18 Annual Report

10. Adjournment 8:34 p.m.