



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
MINUTES
APRIL 4, 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, April 4, 2019 at 6:30 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA 95006 and by teleconference at 2017 American Dr., Lago Vista, TX 78645.

1. Convene Meeting 6:30 p.m.

Roll Call: Smallman, Fultz, Swan, Henry
Staff: R. Rogers, J. Furtado, H. Hossack

2. Additions and Deletions to Agenda: none

3. Oral Communications:

L. Henry announced that each person may have 5 five minutes to address the Board pertaining to the Water District.

R. Moran-Ben Lomond, said that he learned about the possible use of glyphosate on the Felton Library site. He said that the water department should stop it's use.

N. Naccari-Ben Lomond, said he is pro-education but education falls under the purview of schools or community groups. Rate payers should only be billed for costs involved water. He applauds the Board for keeping costs down. He watched aghast as M. Bruce gave away \$14,000 to her friends at Ecology Action.

C. Baughman-Boulder Creek, said he has been told that Chair Henry submitted a complaint to the employer of a member of the public because of this person's communications with others during the time that Dir. Smallman was facing criticism for his speech, resulting in censure. He believes the complaint to be punitive and a warning to curb future participation in the public process. No member of the public should have to consider that their participation could result in a possible threat to their livelihood. He would like the Board to have a public discussion of this matter and implement appropriate measures.

B. Fultz asked for clarification, was this was a complaint against an employee of the District.

C. Baughman said a complaint was submitted to the employer of a member of the public.

M. Lee-Ben Lomond, he feels that there should be a workshop on appropriate communications.

P. Lang-Boulder Creek, he said he was on the Board 1994-96. He congratulated the new Board members and said thank you for serving.

R. Rogers said he made a call to the County Parks regarding glyphosate. He will have more information at the next BoD meeting.

4. Unfinished Business:

a. USDA LOAN UPDATE

K. Plonka presented the status of the USDA Loan.

B. Smallman asked for clarification on the projects.

K. Plonka said this is one loan. It's a package of 5 pipelines and construction of a tank.

B. Fultz questioned how much was spent on the USDA portion.

K. Plonka answered the original contract was for \$270,000 but some of it was environmental.

E. Frech questioned how much under budget was the USDA.

K. Plonka said it was about \$90,000 under budget. The USDA dictates the amount of engineering costs that are in the loan.

R. Rogers said that WSC has 2 different contracts with the District, one is for the USDA loan and the other is for on-call engineering.

E. Frech-Lompico, he said he remembers that the first \$60,000 was for getting loans for Lompico and for the District. They said that Lompico couldn't get the loan because it is an assessment district.

R. Rogers said he wasn't sure about that.

K. Plonka said the original contract did include researching loans. She personally did not look into a loan for Lompico. Her scope was to look for a loan for the District as a whole.

E. Fresco questioned the timing of the loans.

K. Plonka explained that the District will have to get an interim loan or bridge loan. This loan is backed by USDA but not provided by USDA. The expectation is that the interest rate will be higher than 4%. It's in the District's best interest to pay the interim loan back as quickly as possible.

M. Lee-Ben Lomond regarding the engineering piece of \$1,556,000, dictated by USDA, what percentage is the preliminary engineering report.

K. Plonka she can get that information but she doesn't have the numbers. She reminds him that this number is dictated by the USDA and doesn't mean it has to be spent.

R. Rogers said none of these effects 300 customers. The projects with heavy environmental requirements were taken off of the list. The age of the system and amount of leaks in the area dictate the priority. The Lyon zone will feed 100% of our customers as a pass through to the whole District.

The work in the sand hills is done in the pavement so environmental isn't needed.

L. Henry questioned does USDA know anything about costs in this area.

K. Plonka said that USDA uses averages. They do projects in multiple regions so the estimates they come up with are from multiple projects and multiple regions. All of the costs are planning level costs.

V. Champlin-Ben Lomond, how restrictive are the categories on the USDA estimates.

K. Plonka USDA wants things done in their format in an efficient manner. They understand that costs change and that all of these costs are estimates. If costs came in much higher, there is a possibility to borrow more.

N. Naccari said that many of his friends won't drive on his road. He is concerned about heavy trucks on his road.

R. Rogers said it's a County maintained road. Construction projects for a water tank is relatively small.

B. Fultz said as long as the equipment meets all of the standards for the County, then it's the County's responsibility.

T. Norton questioned the \$5.5 million amount. When did you decide on these projects?

K. Plonka said the when the project began the District said they wanted to find projects totaling about \$5 million for grants/loans. Last spring the final projects were chosen.

B. Fultz said that future presentations should have more quantitative information.

5. 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. WSC CONTRACT AMENDMENT

R. Rogers read from his memo regarding the on-call engineering as needed contract. This is the 3rd amendment.

B. Fultz the total contract will be \$220,000. The original contract was not bid because it was a small emergency. As the contract was extended there was no RFP at that time. It's important to keep momentum going and he has no problem saying this is the number that is needed for the transition to the new engineer.

R. Rogers can't say what we will be able to accomplish until we all sit down and roll our sleeves up.

B. Fultz questioned if WSC will be doing standard drawings. We are getting ready to do the geotech. Can they do the RFP?

R. Rogers said he wouldn't recommend they do the RFP.

B. Fultz questioned how much is writing the RFP.

K. Plonka without the revised geotech and a project, we're not far enough along for preparation of the RFP.

B. Fultz plans and specifications for going over bridge piping.

K. Plonka said she doesn't have enough background data she can't cost it out.

B. Fultz said he is uncomfortable going to \$220,000 without an RFP process.

R. Rogers why not cut the amount in half. If we run into a problem, we'll bring it back for more detail.

B. Smallman this could be a cost saving measure for transition to an in-house engineering department.

R. Rogers if you want to stop these projects right now, he'll do it.

L. Henry questioned the different amounts voted on previously, adding up to \$220,000. She said she doesn't quite get it.

B. Fultz said he is very interested in hearing what the engineer has to say.

R. Rogers said we are still going to need additional engineering.

B. Fultz said for the next 2 to 3 months, your belief is that \$45,000 will cover you for outside consulting.

R. Rogers said he thinks that is correct. We'll come back at the end of that period with a report.

B. Fultz he definitely wants the Bear Creek Estates to start. They have waited long enough.

R. Rogers the Glen Arbor Bridge needs to be done.

B. Fultz and the Lyon Tank access

R. Rogers that's already a time extension. FEMA has given us an extension.

L. Henry will \$45,000 cover the 3 things that were just mentioned.

R. Rogers said that it's a guess. We'll have time to get together with the new engineer, the Dir. of Ops and Kirsten to talk and come up with a plan.

K. Plonka said that you won't finish all of those projects with that amount of money but you won't finish all of those projects because Lyon Tank access will take longer than that.

B. Smallman doesn't want to throw a monkey in the wrench but he wants to put pressure on you.

S. Swan said that he will go along with the \$45,000.

P. Lang questioned if there is anything on paper.

M. Lee questioned what is the entry level engineer's hourly rate.

K. Plonka responded that the rates are in the packet. They have not increased their billing rate for this contract since the contract started in 2017.

E. Frech questioned if Ms. Plonka did the fire service work on the Trout Farm. He said he doesn't understand the charges.

R. Rogers the standards are District charges. The actual plan will be charged back to the customer.

E. Frech said that the original Lompico PRV plan was for boxes that were too large. He questioned if there was extra cost to Lompico because the engineer designed boxes that were too large. He doesn't think we should have paid for that.

R. Rogers said that there was probably a small amount of cost.

J. Furtado said that the engineer did not design the box. Clay Valve came out with the standard of that vault size.

E. Frech said that AWWA has standard drawings that you can buy instead of hiring an engineer to do the design.

R. Rogers said that the District uses the AWWA standards all of the time.

M. Lee said that he agrees that the amount should be \$45,000 and then add incrementally as needed.

D. Loewen said that the District is required to have competitive bidding and they have been out of compliance.

L. Farris progress we need WSC use resources we have, partners

N. Nicari what does it cost.

L. Henry even if we did the \$90,000 "as needed"

R. Rogers

T. Norton agrees its not just \$ its time

B. Smallman made a motion to approve \$45,000

B. Fultz seconded.

All present voted in favor. Motion passed.

b. BOARD RESIGNATION

R. Rogers announced that District Counsel Nicholls is present via phone and will bring this item to the Board.

G. Nicholls introduced this item. Dir. Bruce has resigned. The Board will decide if they want to fill the vacancy by appointment for the remainder of the term (must be done within 60 days) or the Board can call for an election in the fall. It is recommended that the Board make an appointment so that it will not be difficult to obtain a quorum. She would like to see a motion that declares the vacancy, pursuant to Gov. Code 1780 and directs staff to post the notice of vacancy and establish April 24, 2019 at 5:00 p.m. the closing date and time to receive applications for the Board seat for the remainder of the term.

L. Henry questioned if the Board needs to accept the resignation.

G. Nicholls said that by operation of law Dir. Bruce's resignation means there is a vacancy.

B. Fultz if the Board were to wait for the November election, the District would pay for the 2019 election and again for the 2020 election.

L. Henry said she feels the Board should solicit applications.

G. Nicholls April 24th is more than 15 days for solicitation of applications and will allow time for the applications to be put in the May 2nd Board packet.

B. Fultz so that would mean that there will only be a vacancy for a month.

R. Rogers that is if you can agree to appoint someone.

E. Fresco questioned the basis for your decision for an appointee. What are you looking for in a Board member?

B. Fultz clarified that is not on the agenda for tonight.

E. Fresco asked if that could be put on the next agenda.

L. Henry questioned if the Board can put out there what they want.

G. Nicholls the item for tonight does include a draft application which has fields for information that the Board would be interested in to connect with applicants.

B. Fultz to be clear there is no limiting who can apply.

R. Rogers they have to be residents of the San Lorenzo Valley

E. Fresco said that the reason that she asked was because last month you didn't want someone on the Environmental Committee because she had a science background.

L. Henry said she only wanted to have 3 of 4 people that applied. I did say something about science but there are other people that we picked that do have a science background.

M. Lee said he likes Dist. Counsel's proposal with the timeframe she has outlined.

R. Moran said it has been the precedence of the Water District to appoint someone.

B. Smallman thinks this is the way to go but he would extend the time by 2 weeks.

G. Nicholls if the Board doesn't have the discussion until mid-May and the appointment isn't agreed upon at that date, then the opportunity is lost and the County has to make the appointment.

B. Fultz it's a 60-day process from March 26, 2019. The first thing the Board has to do is declare the vacancy.

B. Smallman made a motion that the Board declare a vacancy.

B. Fultz questioned G. Nicholls if they need to quote the Government Code in the motion.

G. Nicholls said no, that's not necessary. A motion finding that a Board seat has become vacant on March 26, 2019 and that you direct staff to proceed with filling the vacancy by appointment of the Board and to post notice of vacancy with April 24, 2019 5:00 p.m. as the closing date and time for the receipt of applications.

B. Smallman made a motion as stated by Dist. Counsel.

B. Fultz seconded.

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

c. COMMITTEE APPOINTMENTS

R. Rogers explained that this item was put on the agenda not knowing exactly what the Board was going to do regarding the vacancy. There doesn't seem to be a reason to change committee appointments at this time.

L. Henry noted that there is just one Board member on Environmental and one on Engineering. It's just for one meeting.

R. Rogers said that you just have to be sure you inform staff if you are not going to be able to attend a meeting.

B. Fultz appreciated the foresight to add this to the agenda but since it is not necessary he would like to move on.

L. Farris questioned the combining of Environmental and Engineering Committees.

L. Henry not at this time. It may happen but not now.

R. Rogers noted that Dir. Bruce was also the alternate on the SMGWA.

B. Fultz said the District can get by without the committee assignments being filled for a month.

L. Henry agreed.

d. HARO KASUNICH AND ASSOCIATES CONTRACT AMENDMENT

R. Rogers introduced this item and read the memo. One option is to put in a culvert and back fill. Environmental requirements may not allow the culvert. The other option is a series of secant walls.

B. Fultz said a wall could keep sliding.

R. Rogers said that's right. These are deep walls.

B. Fultz said that he imagined it was easier to do things in 79 & 80.

R. Rogers said they put a culver in and back filled. It was repaired.

B. Smallman said he thought that the culvert plan meant you have to haul in too much dirt. How deep is the slide?

J. Furtado 45-60', 75 - 100' piers in the bedrock.

B. Smallman why does HKA need another \$35,000?

R. Rogers said we tried to get an RFP for repairs but the contractors that looked at the job found that the report was not thorough enough to bid the project.

B. Fultz said he hopes regulatory agencies understanding this serves an enormous number of human beings. Let's hope that they have some flexibility.

R. Rogers said that people don't understand why we don't just move the treatment plant. We're stuck there by elevation, streams and ancillary pipelines. The best thing we can hope for is a different access in. The tank and treatment plant are sound. They have been evaluated by the geotech engineers and there is no movement.

E. Frech questioned whether you can talk to the environmental regulatory agency before you have a design.

R. Rogers said that we are talking to them now.

M. Lee shared his knowledge of regulations regarding drainage at this elevation.

R. Rogers noted that since the slide the District has spent \$118,000 on the project.

M. Lee questioned if the geotechnical coring has been done.

B. Fultz made a motion for approval of the contract with HKA in the amount of \$35,540.

L. Henry seconded.

All present voted in favor. Motion passed.

e. LETTER TO PRESS BANNER

G. Nicholls introduced the follow up to closed session where the Board decided to consider a draft letter to consider some of the recent complaints, however with the resignation of Dir. Bruce the circumstances have changed and it is not clear what the content of the letter would be. We are coming to the Board for direction.

B. Smallman said he thinks this is about him.

L. Henry said it isn't about Dir. Smallman.

B. Smallman said he is taking this seriously.

L. Henry reiterated that this is not about Dir. Smallman.

B. Smallman continued to read a prepared statement.

B. Fultz said the circumstances still needs a response.

R. Rogers agrees that a different letter should be drafted from the current sitting Board.

B. Fultz said he thinks this needs to be addressed. He questioned if the information from D. Loewen has been seen before.

R. Rogers responded that the letter from D. Loewen has not been seen before.

L. Henry said that Margaret wrote and posted on social media about Dir. Smallman's post and because a member of the public suggested that he spoke for all of us she jumped out said he doesn't speak for her. Then she said, Board Pres. Henry, where are you?

B. Fultz said he didn't know it was going on.

L. Henry continued that Margaret also said Mr. Smallman and Pres. Henry presided over the failed Lompico Water District. Lompico didn't fail.

B. Fultz said part of this was debated during the campaign. He doesn't understand the antipathy toward a valued community in our District is coming from. He thinks the Board should work on a different letter.

R. Rogers questioned if the Board still wants a letter.

S. Swan still wants a letter to go out.

B. Smallman thinks a letter is a great idea.

B. Fultz asked District Counsel if we need a motion.

G. Nicholls said a motion isn't necessary, just direction. She also asked for 1 or 2 Directors to consult regarding the draft.

B. Fultz volunteered to consult on the letter.

S. Swan also volunteered to assist with the letter.

T. Norton said she was appalled by what J. Hayes said at the candidate debate. It was not true. She would like the Lompico part addressed.

D. Loewen said this is not about Bill Smallman. She said she wasn't going to talk about Margaret the way that past Board members spoke about Bill Smallman. She recalled an instance in April of 2018 when Dir. Bruce picked on R. Moran publicly. There are 3 violations here; a possible Brown Act violation by baiting other Board members to respond, a violation of the Board manual which defines acceptable Board behavior and a violation of the Respectful Workplace Policy.

V. Champlin questioned the process of how the letter be handled. Will it be brought back to the Board for approval before submission?

G. Nicholls said that is correct.

E. Fresco doesn't know what happened with Lompico. She didn't know the previous Board. She questioned why D. Loewen is so critical of them, it doesn't seem helpful to talk about the previous board. She hopes the letter doesn't criticize the previous Board.

L. Henry explained that she cannot address another member of the public.

G. Nicholls asked for clarification, will Directors Swan and Henry be consulting on the letter.

B. Fultz said it will be he and Director Swan to take it on with Gina.

6. Informational Material:

- Water Board Grapples - Press Banner 3.19.19
- Director Resigns - SC Sentinel 3.28.19

7. Adjournment 9:05 pm