



**BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER DISTRICT  
MINUTES  
MARCH 7, 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, March 7, 2019 at 5:30 p.m.,** SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

1. Convene Meeting 5:30 pm  
Roll Call: Dir. Swan, Dir. Fultz, Dir. Smallman, Pres. Henry and Dir. Bruce present  
Staff: Dist. Manager R. Rogers, Dist. Counsel G. Nicholls and Dist. 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 5:31 pm
  - a. 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).
  - b. 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)
  - 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).
  - d. CONFERENCE WITH LEGAL COUNSEL- ANITICIPATED LITIGATION  
Government Code Section 54956.9(d)(2) One Case

5. Convene to Open Session at 6:30 p.m.

6. Report of Actions Taken in Closed Session: None

7. Additions and Deletions to Open Session Agenda: None

8. Oral Communications:

D. Loewen invited people to come to the Board meetings.

V. Champlin-Brookdale he was disappointed not seeing an agenda item discussing Dr. Bruce's participation in the recent social media exchange.

L. Farris-Felton said he was shocked and saddened by what transpired at the Special Board meeting last Thursday when some people lowered themselves to the same level of hate and disrespect displayed by the Board member in question.

9. Unfinished Business: None

10. New Business:

a. ENVIRONMENTAL COMMITTEE PUBLIC MEMBER(S)  
APPOINTMENT(S) AND BUDGET & FINANCE RESIGNATION

Pres. Henry introduced this item.

J. Supp Environmental Committee applicant introduced himself to the Board. He said he is new to the Valley and wants to get involved in his community. He is interested in water and has worked for a water purification company. He works in the energy sector and believes there is a synergy between energy and water. He's looking for a way to contribute.

E. Fresco Environmental Committee applicant introduced herself. She said she has lived in the Valley for 8 years and her property borders the SLVWD Watershed. She has seen how important the environment is. She is a retired nurse/midwife with a science background. She manages her property in an environmentally responsible manner.

B. Smallman said that he is in favor of allowing all of the applicants to be public members to be on the committee.

M. Bruce appreciates all of the applicants. She agreed with Mr. Smallman that all four applicants should be on the committee.

L. Henry says she has an issue with appointing all 4 members, because a quorum would be 4 members.

M. Bruce said she would choose J. Supp, E. Fresco, & T. To who introduced herself to us at a previous meeting.

S. Swan said he likes K. O'Connor, he appreciates his background and experience.

B. Smallman said an odd number would be better.

L. Henry said she suggested that the Board choose the 2 that are here tonight, hoping that they will work with us and our goals because you do serve at the pleasure of the Board. If you don't like our goals or where we are going, then we've got a problem. If you think you can do that, and if the Board agrees, that's my suggestion.

B. Fultz interested in expanding the amount of people that get involved in the SLVWD. In the next 10-15 years we will need leaders for our community. He can go along with Pres. Henry's suggestion.

M. Bruce said she would like to pick a third applicant.

B. Smallman agreed with Dir. Bruce.

L. Henry said she has an issue with Dir. Bruce's third pick. She is tired of being told that we are moved by emotions not by science and she has a hard time going along with her pick.

B. Fultz said the key is to make sure that 3 is the quorum for him. The committee is for advice and recommendation. He said he would be fine with it.

M. Bruce said she has no objection to Dir. Swan's recommendation, she just met Ms. To and was impressed by how articulate she was and how engaged she was in issues.

L. Henry said she may be articulate; she doesn't want to hear again that we're not scientists. We ran on a platform; we were voted for, that is where she was going with that.

M. Bruce noted that both of the present applicants are scientists

L. Henry said she is not against science. Science is not perfect; it doesn't agree with itself. When she read E. Fresco's application she liked all the things she is doing on her property. She likes J. Supp, he's new, I don't think his mind is made up. We don't always pick the people that don't come. Don't get me wrong, you can disagree with us but she doesn't want every committee meeting to become a battleground. It's the same with the Board, she would like to work together.

M. Bruce made a motion to appoint J. Supp, E. Fresco and K. O'Connor.

L. Henry seconded the motion.

N. Macy-Boulder Creek, grateful that they appointing someone that is not there. She appreciated that T. To came to a previous meeting to introduce herself because she couldn't be there. Thank you for being open.

C. Baughman he was pleased to see 4 well qualified applicants. Not everyone stays on the committees, sometimes they discover that they can't continue on a committee so you may not have 4 forever. He encourages you to appoint all 4.

D. Loewen said she is supportive of 2 applicants present. She thinks it is important for any committee members to support the Board.

C. Finney-Boulder Creek said that it disturbs her to hear people talking about loyalties to various Board members or Boards, to talk about

supporting the goals of particular directors. As a customer and ratepayer of this District she hopes that the Directors, volunteers, committee members would be most dedicated to the best interest of the District and its ratepayers. It worries her that it sounds like committee members are being asked for loyalty oaths.

L. Henry said she ran on a certain platform. We won by huge amount We know that we represent a whole District. Promises were made to people who voted for her slate. They feel obliged to meet those promises. We don't want to hurt other people by doing that but everybody had a chance to vote and it was a huge turnout. She feels that they have a right to ask for people to work with us, they can express their opinion but we have important work to do with the environment.

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

b. BOARD MEMBER COMMITTEE ASSIGNMENTS

L. Henry introduced this item. Two of the committees that she would like to review for possible change are the Environmental & Engineering committees. As Board President I can suggest Board members for the committees but it is up to the Board make the changes. For the Environmental Committee she wants Dir. Bruce and Dir. Fultz.

B. Fultz said that he is available but he thinks that they need to talk about the underlying issues.

L. Henry said the underlying issue is that we want to make change for the committee assignments. Most of the committee meetings are held during the day, Dir. Smallman can't or won't attend daytime meetings. He doesn't go to meetings, in 2018 he had a fake meeting noticed that looked like a District meeting. Serving on committees requires Board members to work with public and other Board members. So because of past behavior she suggested removing Dir. Smallman from committees. She said that she hopes he rehabilitates himself so that he can get back on committees.

B. Fultz he said that is good background information. He said there are 2 issues here. 1. Bill's ability to attend meetings during the day. 2. His comments that brought censure to him.

B. Smallman read a prepared statement (33:22 - 43:46 on the recording).

S. Shettler said that she is disturbed that you said you want to preserve the budget and to not rehearse the past again. It's time to move forward.

J. Kendall-Ben Lomond, said the he wants to clear up a few misunderstandings on Mr. Smallman's part. The blowback against you is not because of politics, not because of Roundup, it's because you decided that the best way to insult somebody was to say that they were gay. For too many years he has had to put up with people like you using him as the ultimate insult. Your on line history of odd comments about odd and disturbing assumptions about the way to look at the world. Until you get the training and recognize what is going on you should step back from this. You insulted a large portion of the Valley. This is not a political attack from your



enemies, this is people who voted for you, seeing what you write and asking "What is wrong".

L. Henry asked Dir. Fultz, can you be on the Environmental Committee?

B. Fultz asked what will be served here. Is this a punishment?

L. Henry said it's a wakeup call. He needs to realize that he didn't get the 3 of us elected. He did something he shouldn't have done. In his own words censure means nothing. So what will mean something to Dir. Smallman? I would call this an intervention. I hope that he takes training, rehabilitates and comes back to be on a committee. She is asking if Dir. Fultz will take the position or not.

B. Fultz said he could take the position on the Environmental Committee. He asked Dir. Smallman if he would be willing to voluntarily step back.

B. Smallman said he has 2 years left on his term and wants to provide the best service to the public.

B. Fultz maybe one of the ways to demonstrate to the people that might be skeptical about your good intentions is to step back for 3 or 4 months.

L. Henry said she would like 6 months. She would like to see real change.

B. Fultz said he would like 4 months.

B. Smallman said he would voluntarily step aside for 4 months.

S. Swan said this an appropriate response from the Board. He said Dir. Smallman hasn't helped the Board at all. Your behavior is drawing all the wrong kinds of attention. You're not helping the Board, the community or the water district. He said 6 months is not too long. You need the training, you need the exposure and you need to stay off of social media.

M. Bruce said that she is supportive of 6 months. She said it is difficult to have committee meeting when one of the committee members is so inflexible that they can't make the meetings. You don't run for office and then say it's an inconvenience. I sent out emails asking when would you like to meet? You sent no response.

B. Fultz so voluntarily step back for 6 months

B. Smallman agreed.

L. Henry questioned if that is agreeable to the Board.

S. Swan will accept the Engineering Committee.

L. Henry so Dir. Bruce is on Engineering and Environmental

S. Swan said that he and Dir. Bruce will sit down and arrange and day and time for meetings.

M. Bruce made a motion to accept the proposed temporary changes to the Board committee assignments removing Dir. Smallman from his

committee assignments for a period of 6 months and assigning Dir. Fultz to the Environmental Committee and Dir. Swan to the Engineering Committee.

Dist. Counsel made a suggestion on the motion, that the committee reassignments be revisited after 6 months.

M. Bruce restated the motion, to accept the proposed temporary changes to the Board committee assignments removing Dir. Smallman from his committee assignments and assigning Dir. Fultz to the Environmental Committee and Dir. Swan to the Engineering Committee and revisiting the assignments after 6 months.

B. Fultz seconded the motion.

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

c. QUAIL HOLLOW NO. 5A & OLYMPIA 3 WELLS SOLE SOURCE PROCUREMENT FOR REHABILITATION

J. Furtado introduced this item. We hope to contract with Martin Feeney, consulting hydrologist, sole source proposal for \$38,100 for the rehabilitation of the District's Quail Well 5a and Oly Well 3. Mr. Feeney has been a consultant on these wells for years and his knowledge of the wells is incomparable. J. Furtado noted an error on the memo and Resolution regarding the citing of Ordinance 8 which no longer exists, it was replaced by Article XIV.

B. Fultz said it isn't clear, will he be doing the execution.

J. Furtado responded that Mr. Feeney will be planning and overseeing the work.

B. Fultz restated, so there is a contractor that will have to do the work.

R. Rogers explained that Mr. Feeney will write the bid spec for each well and then we'll go out for formal bidding. We recently went through the same process with Paso 7 and it cost \$107,000 for the rehab work.

L. Henry said she has had experience with this process and when this happens the work needs to be done.

B. Smallman agreed with Lois. He made a motion to approve the contract with M. Feeney for \$38,100.

S. Swan questioned if there is any special permitting associated with this project.

R. Rogers responded that it is all on pavement so no permits are required. This work will be scheduled for each well about every 3 years in the future on a routine basis for cleaning to combat iron bacteria.

B. Fultz said the District needs to do better with scheduling routine maintenance.

R. Rogers responded that in the past the money wasn't there for scheduled maintenance. Hopefully with current rates we can take care of deferred maintenance.

M. Bruce said that she supports this proposal to use M. Feeney as the consultant on this project. He knows our wells, staff and system.

B. Fultz said he understands that there are a lot of people that have worked with us for a very long time and we are comfortable with them but that comfort level can lead to unintended consequences. We need to expand our list of consultants.

R. Rogers said that he agreed but that will require reaching much further out from Santa Cruz County and beyond.

E. Fresco said she may have misread the information but didn't she see \$7000 for travel per diem?

R. Rogers explained that he comes from Salinas and this is a continuous operation.

J. Furtado noted that he has crew that comes up from down south.

L. Henry said that he oversees the project.

B. Smallman made the motion again to accept the Resolution No. 31 (18-19)

M. Bruce seconded.

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

d. LEGAL PRESENTATION REGARDING SOCIAL MEDIA AND BROWN ACT

L. Henry introduced G. Nicholls, Dist. Counsel and the item.

G. Nicholls started the presentation. This presentation is a response to some of the controversy over the last couple of weeks about social media posting and the Brown Act. She summarized the main take aways important in the context of social media. (presentation attached)

B. Smallman addressed the Board and public.

G. Nicholls said these are good points.

B. Fultz asked what if all 5 of us felt obligated to do the same.

G. Nicholls if you only have 1 director that is active on social media, it doesn't present such a problem, but if you have 3 directors that are routinely telegraphing their opinions on social media, then you potentially have a problem.

E. Fresco asked if there is a penalty for Brown Act violations.

G. Nicholls explained the legal risks of Brown Act violations. There are ways to cure a Brown Act violation and there is also risk of litigation.

B. Fultz said it's embarrassing to the Board.

J. Supp it sounds like there's a reverse incentive to be the Board member that weighs in first.

D. Loewen said that besides the Brown Act there is a Respectful Workplace Policy.

S. Schettler-Ben Lomond, pointed out that in public position you can only wear one hat.

L. Henry asked the Board if they want a policy regarding social media.

S. Swan said he thinks it might be valuable if counsel drafted a policy.

B. Smallman agreed with Dir. Swan.

M. Bruce also agreed with Dir. Swan she said it will help with our future website with support and guidance in communication with the public.

S. Swan said there are limitations already we have to observe. Nobody is denying free speech.

B. Fultz said comments in social media don't affect me until somebody takes a screen shot. Nothing is private. He is not sure he wants to spend time and energy on a policy at this point.

L. Henry said it seems wrong to her that you criticize staff on social media or anytime. She explained the Board's responsibility for staff. They have only 2 employees; the District Manager and the District Counsel. It is not the Board's place criticize, direct or otherwise communicate with staff.

B. Smallman said that is an important thing to note.

R. Rogers said that's covered in the Respectful Workplace Policy.

G. Nicholls said she has templates for balancing elected officials protection for Brown Act issues and 1<sup>st</sup> amendment vs. Brown Act violations.

R. Rogers suggested this go to the Admin Committee and then to the Board.

L. Henry asked the Board if they are agreeable to sending this item to the Admin Committee and then to the Board. All agreed.

5 minute recess 8:15 pm

Reconvene at 8:21 pm

e. FINANCE AND BUSINESS SERVICES DEPARTMENT WORKSHOP

S. Hill introduced her presentation. (presentation attached)

L. Henry said the District would make more money by giving up plastic bottles and use our water.

S. Hill said there are ways that the District can incentivize people to sign up for ebills and auto pay. If you sign up for both, you can be entered to win something.

G. Nicholls said that sounds like it can be created.

M. Bruce asked about 440 accounts.

S. Hill responded that 255 are operating expenses. The rest are balance sheet accounts.

M. Bruce asked about a pay it forward program for low income ratepayers.

S. Hill responded that she is all for a third party administering such a program with a link on our website.

B. Fultz said tiered rates needs to go to legislature. The people want tiered rates.

L. Farris questioned if she is saying the consumption drop of 20% in 2014 is the cause of the rate increase of 40% in 2017.

S. Hill said the 2013 increase was making up for the prior years without an increase. It was based on 800,000 units of water being sold and it projected 5 years of 11% increase but only 3 years were adopted.

L. Farris disagrees with S. Hill. He doesn't believe it's nearly as volume dependent as you think. Where can he discuss this analysis?

R. Rogers suggested he contact the chair of the Budget & Finance committee.

B. Fultz inflation factor doesn't agree with the enormous water rate increases.

S. Hill said that at this point it's the growing pains and aging infrastructure.

L. Henry pointed out that there are no reserves. It's a huge problem.

S. Hill said that's why the rate increase was drafted so that we wouldn't have to see increases like that again.

B. Smallman said he is concerned about contractor costs.

J. Furtado added that this District has been neglected forever and has been spread thin forever. We are finally getting needed staff finally and catching up with infrastructure.

B. Fultz said that what wasn't sold to public was the boost in staffing and why it was necessary.

B. Smallman said operating the District effectively is good.

S. Hill said that our procurement policy is one of the lowest she has seen. The procurement policy hinders us.

L. Henry said we can't do everything in house, we don't have the equipment and the staff.

R. Rogers we are in the process of making up for a lot of neglect. We have made mistakes in the past.

S. Hill said there's a light at end of tunnel. In the next 5 years the Felton system and watershed purchase debts will be paid off. The debt we are taking on will be for capital.

R. Rogers we have 25-28 pressure pump stations, 8 or 9 wells, 6-7 surface sources, if you compare our facilities to Scotts Valley or Soquel, we have so many more facilities and infrastructure. Much of it is reaching its life expectancy or its undersized.

B. Fultz you can't sell the community on an ambitious capital program without having a realistic list of what needed.

L. Henry said that if you take a look at the age of the projects and take a look at the cost, it might be just staggering. We need to stop discretionary spending.

S. Hill shared her status report from the last Board packet.

L. Henry the Board has 2 jobs. 1. Fiscal responsibility, and if these reports aren't clear to you, you need to ask for clarification. 2. Policy is the other responsibility.

D. Loewen said she has asked Stephanie a lot of questions and if she doesn't know she looks it up. Are departments being asked to make their departments more efficient?

J. Furtado said that we constantly go through bills and look for ways to cut costs.

R. Rogers announced that the Diversity Training is scheduled for Thursday, March 21<sup>st</sup> at 5:30-6:30, just before the Board meeting.

11. Consent Agenda:

- a. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING JANUARY 23, 2019
- b. MINUTES FROM BOARD OF DIRECTORS MEETING FEBRUARY 7, 2019

The Consent Agenda will be moved to the next BoD meeting.

12. Written Communication:

- Letter from D. Ziel
- Letter from J. Calden
- Letter from N. Macy
- Email from R. Brune
- Email from P. Cordes

13. Informational Material: None

14. Adjournment 9:39 pm