



MINUTES OF SPECIAL MEETING  
BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER  
DISTRICT

*To hear the Board's full meeting, watch the video available at: [Government On-Demand – Community Television of Santa Cruz County \(communitytv.org\)](https://communitytv.org)*

Tuesday, December 7, 2021

MINUTES

1. Call to Order

The special meeting of the San Lorenzo Valley Water District Board of Directors was called to order by President Gail Mahood at 5:30 p.m. on Zoom.

Roll Call

Board Members Present:

Gail Mahood, President  
Lois Henry, Vice President  
Jayme Ackemann, Director  
Bob Fultz, Director  
Mark Smolley, Director

Staff Present:

Rick Rogers, District Manager  
Holly Hossack, District Secretary  
Gina Nicholls, District Counsel

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 p.m.

5. Reconvene to Open Session: 6:32 p.m.

6. Report of Actions Taken in Closed Session

The Board voted unanimously to authorize the District Manager to sign a Water Rights Protest Resolution Agreement, subject to certain changes requested by the Board.

7. Roll Call

Board Members Present:

Gail Mahood, President

Lois Henry, Vice President  
Jayme Ackemann, Director  
Bob Fultz, Director  
Mark Smolley, Director

Staff Present:

Rick Rogers, District Manager  
Carly Blanchard, Environmental Programs Manager  
Kendra Reed, Acting Director of Finance and Business Services  
Holly Hossack, District Secretary  
Gina Nicholls, District Counsel

8. Oral Communications: None

9. President's Report: None

10. New Business:

a. DRAFT WATER SUPPLY COLLABORATION AGREEMENT

G. Nicholls, Dist. Counsel, presented this item to the Board. The District filed a protest with the City of Santa Cruz regarding the water rights permits being filed through the State Board. There are 2 specific issues:

1. To protect & insure the District's Loch Lomond contractual allotment
2. The City's proposed changes to the required instream flows in the San Lorenzo River at the Big Trees gauge

Board discussion included:

- L. Henry questioned flow requirements measurements
- M. Smolley questioned the timing of the State's initiation of legal proceedings
- G. Mahood is concerned about weak or passive language in the agreements
- R. Menard provided acknowledgement by the City regarding the contractual 313 acre feet per year of Loch Lomond water for SLVWD, drought or no drought
- The City and SLVWD have very different growth environment
- Amendment to the collaboration agreement

Public comment was given by R. Moran and J. Mosher.

It was moved and seconded that the Board authorize the District Manager to work to modify the water supply collaboration agreement to include language about the timing of our use of the Loch

Lomond allotment of 313 acre feet per year not restricted in a drought situation. The motion was adopted unanimously.

b. DRAFT ANNUAL FINANCIAL REPORT FY 2020-21 (CAFR)

K. Reed, Acting Finance & Business Services Director, introduced this item to the Board. It is recommended that the Board of Directors review and receive the presentation by Fedak & Brown LLP. She then introduced Andy Beck, with Fedak & Brown LLP, who presented the report.

It was moved and seconded to accept the San Lorenzo Valley Water District Financial statements for fiscal year 2020/21, with typographical changes made to the document noted by the Budget & Finance Committee.

Discussion by the Board included:

- B. Fultz requested that the Organizational Chart change be added to the typographical changes

The motion was adopted unanimously.

c. GRANT APPROVAL FUNDING

R. Rogers, District Manager, introduced this item.

Discussion by the Board included:

- B. Fultz questioned the original grant funding request amount and amount awarded by the grant.
- Possible repayment of funds if project is completed.
- Boundaries between Board and staff work
- Grant manager has been assigned to facilitate
- How and when grant payments are made
- Uncertainty in grant process, time sensitivity

G. Mahood tried to restate the issue. She said that she sees two components to the recommendation. The first part seems low risk, to incur legal and grant writing expenses within the Dist. Manager's authority to get started. The second part is difficult and needs more discussion.

Discussion continued:

- Board's responsibility to question processes

It was moved and seconded to direct the District Manager to proceed with water system consolidation with Forest Springs & Bracken Brae Mutuals, including authorization to incur legal and grant-writing expenses within the

amount of the District Manager's purchasing authority and to develop RFPs for CEQA permits and engineering studies.

Public comment was made by R. Moran.

The motion was adopted unanimously.

d. BOARD POLICY MANUAL FOR 2022

G Nicholls, District Counsel, introduced the 2022 Board Policy Manual and the process for revision.

G. Mahood described the process for this item.

Discussion by the Board included:

- Combination of Engineering and Environmental Committees

It was moved and seconded to combine the 2022 Engineering and Environmental Committees into one committee.

Public comment was given by R. Moran.

**ROLL CALL VOTE: MOTION PASSED**

AYES: Mahood, Henry, Ackemann, Smolley

NOES: Fultz

ABSTAIN: None

Discussion by the Board:

- Board meetings scheduled for the 1<sup>st</sup> and 3<sup>rd</sup> Thursday of every month

It was moved and seconded to re-instate the policy for having regular Board meetings on the 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of every month, including July, November, and December.

**ROLL CALL VOTE: MOTION PASSED**

AYES: Mahood, Henry, Ackemann, Smolley

NOES: Fultz

ABSTAIN: None

**11. Old Business:**

a. REMOTE MEETING AUTHORIZATION UNDER AB 361

It was moved and seconded that the Board re-adopt and ratify Resolution #4 (21-22) to continue in effect for another 30 days. The motion was adopted unanimously.

12. Adjournment

President Mahood adjourned the meeting at 8:58 p.m.

January 20, 2021

Minutes approved

A handwritten signature in blue ink, reading "Holly B. Hossack", written over a horizontal line.

Holly B. Hossack, District Secretary

