



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER
DISTRICT
SPECIAL MEETING
MINUTES
SEPTEMBER 14, 2023**

Thursday, September 14, 2023, at 5:30 p.m., SLVWD Conference Room, 12788 Highway 9, Boulder Creek and via videoconference and teleconference.

1. **Convene Meeting: 5:30 p.m.
Roll Call**

Board Members Present:

Mark Smolley, President
Jeff Hill, Vice President
Jayme Ackemann, Director
Bob Fultz, Director
Gail Mahood, Director

Staff Present:

Barbara Brenner, District Counsel*
Holly Hossack, District Secretary
Scott Mattoch, Network Specialist

*attended virtually

2. **Changes to Closed Session Agenda: None**
3. **Oral Communications Regarding Items in Closed Session: None**
4. **Adjournment to Closed Session: 5:32 p.m.**
5. **Re-Convene Meeting: 6:30 p.m.
Roll Call**

Board Members Present:

Mark Smolley, President
Jeff Hill, Vice President
Jaime Ackemann, Director
Bob Fultz, Director
Gail Mahood, Director

Staff Present:

Barbara Brenner, District Counsel*
Holly Hossack, District Secretary
Scott Mattoch, Network Specialist

Rick Rogers, District Manager
Kendra Reed, Director of Finance and Business Services

6. **Report Actions Taken in Closed Session:** None

7. **Additions and Deletions:** None

8. **Oral Communications:**

9. **Unfinished Business:**

a. COST OF SERVICE ANALYSIS AND RATE DESIGN STUDY

Director Mahood, Chair of the Budget & Finance Committee, introduced and explained this item. She shared the *Goals for Tonight's Meeting* (attached).

B. Fultz interjected that he doesn't know if a Board member has ever made a presentation like this and thought it should have been in the agenda packet.

M. Smolley said that he could have 2 clarifying questions before we move on to the Raftelis presentation.

B. Fultz questioned the reserve target levels and are the operating expenses a commitment to the community.

Sudhir Pardiwala, Raftelis, presented the Financial Plan for the Rate Study.

Discussion by the Board regarding underground or above ground piping:

- How to reconstruct the raw water cross-country pipeline
 - Development of the cost estimate for the above ground piping
 - Splitting Peavine from the 5-mile pipeline (at least 60%)
 - Making a decision on above or below ground
- Value based decision
 - Invasiveness
 - Timeframe
- Supply line could be a separate Prop 218 process (like the surcharge)
- Commitment to the community budgeted
- Projection with the best knowledge we have
- Use the \$25M as a number and start with Peavine
- 3 - 5 years of EIR for underground piping

Discussion by the Board regarding:

- Assumptions
 - Inflation
 - Previous budgets
- Staff bandwidth for \$27M in capital projects in FY2024
- Availability of the model

- Front loading revenues (restricted)
- Take out debt (loan 20 yr. or 30 yr., bond?)
- Model shows loan debt

B. Holloway interrupted the meeting with a point of order statement that the “staff should address the chair and not be asking the speaker. If the chair wants to ask the speaker but the staff should not be interjecting and also the chair should make clear in this State, you cannot be required to say your name to participate in one of these meetings”.

J. Ackemann noted that a member of the public cannot be leaping up and making points of order. You will be given your 3 minutes to speak.

Unidentified member of the public questioned if a decision has to be made on the model now. (The Board needs to provide Raftelis with a decision on the revenue model to take the next step in the Rate Study.)

B. Silver, Bear Creek Estates Wastewater customer, questioned if they will be required to pay more. Wastewater costs are obscene.

J. Gary, Camp Campbell, addressed the Board to question the use of reserves for operating. (Reserves are used for operating if needed and if they are not earmarked for a specific project.)

B. Holloway, Boulder Creek, addressed the Board to say that the above ground/below ground issue was not on the B & F Committee agenda at all but it was substantially discussed. And he told them it was on the Engineering Committee for this week. He is disturbed. It’s not on the agenda tonight for this meeting. Be careful of the Brown Act.

J. Ackemann said that she doesn’t believe that the Board is making a decision on above ground or below ground. They trying to determine how much money do they want to project in future budgets for project costs associated with Peavine.

J. Mosher, Felton and the on Budget & Finance Committee, the Rate Study was on the agenda for the B & F Committee and the above ground or below ground was a major issue in that agenda item. Above ground is the best approach, he feels. He thinks the capital spending number is unrealistic.

C. Dzendzel, congratulations on discussion on these important issues. Loss of personnel is real and should be planned for.

A. Layng, Boulder Creek, confused by the discussion of above or below grade. The numbers confused her.

C. Shiermeyer, SLV Union School District Superintendent, asked that the Board consider the School District when they are setting the rates. The School

District is the largest employer and also the one of largest water users in the Valley. They can't charge more when their rates go up.

S. Pardiwala noted that there are quite a few unknowns. If you go with the higher amount and you don't need the higher rate you can make a lower revenue adjustment but you won't have to go back for another Prop 218 process if you do need more.

Discussion by the Board regarding:

- Utilizing the \$25M for the purpose of the Rate Study
- No conclusions have to be made tonight
- The presentation should have been in the agenda
- The Brown Act and the Budget & Finance Committee
- CZU Surcharge included in the Financial Plan
- Prop 218 vote being held over the holidays. Not voting is a yes vote.

8:26 p.m. G. Mahood left the meeting.

Discussion by the Board regarding:

- Further discussion next week
- Next step is to look at the calendar
- Staff has been preparing an agenda every week for 4 weeks
- The Prop 218 is a legal process that has been governed and passed by the State of California and dictates to us the way that we are allowed to set our rates.

10. **Adjournment:** 8:33 p.m.

Minutes approved: October 19, 2023


Holly B. Hossack, District Secretary