



March 11, 2021

Mr. Richard H. Goldberg, Foreperson
2020-21 Santa Cruz County Civil Grand Jury
701 Ocean Street, Room 318-I
Santa Cruz, CA 95060
Email: rich.goldberg@scgrandjury.org

Re: Response to Correspondence from Santa Cruz County Civil Grand Jury, dated
February 8, 2021

Dear Mr. Goldberg:

The Board of Directors ("Board") of the San Lorenzo Valley Water District ("SLVWD" or "District") is in receipt of your correspondence dated February 8, 2021, which seeks follow-up information about actions taken in response to each of the eight recommendations set forth in the 2017-18 Grand Jury's report entitled, *"Encouraging the Flow of Information to the Public."* Each recommendation is copied below along with a corresponding status update regarding its implementation. In response to prior follow-up correspondence from the Grand Jury, the Board provided the requested information via a letter dated June 6, 2019,¹ and the District's status updates from that letter are copied below for reference.

R1 - Grand Jury Recommendation.

LADOC [short for "Lompico Assessment District Oversight Committee"] should produce an annual report detailing the status of Assessment District revenues and expenditures.

R1 - June 2019 Status Update.

The LADOC Charter written and adopted by LADOC and approved by the Board on March 21, 2019, establishes a format for the LADOC annual report and states that the report will be completed "as soon as possible after June 30 of each year, presented using preliminary financial data." Thus, the first annual report is anticipated to be completed sometime between June 30 and the end of calendar year 2019. Subsequent annual reports are anticipated to be completed sometime between June 30 and the end of each calendar year.

R1 - February 2021 Status Update.

LADOC has completed its first annual report for 2019, covering the period from June 1, 2016 through June 30, 2019, and a copy is posted to the District's website. (Enclosure A.) The annual report was developed throughout 2019 and adopted by LADOC on January 28, 2020. (Enclosure B.) The District's Board received and reviewed the annual report on February 20, 2020. (Enclosure C.) It provides detailed financial information for the Assessment District ("AD"); a letter from the LADOC Chairperson; an update from the District Manager as to the status of the AD projects; a copy of the 2017-18 Grand Jury's report, the District's responses, and a timeline of AD events; resources and links to pertinent information and even a history of Lompico Water and what led to the annexation. The LADOC Chairperson reports that it was time consuming to proof read

¹ See Enclosure G.

the report and check all the hyperlinks to referenced websites, and this lengthy process resulted in the annual report being posted to the District's website in June 2020. An informational summary mailer was sent to Assessment District customers with a URL where the entire report can be accessed online. (Enclosure D.) The next LADOC annual report is in progress; however, the process has suffered delays due to multiple emergency events occurring over the past year including the COVID pandemic and the CZU Wildfire. The District is currently in the process of appointing committee members for 2021, and it is anticipated that the new committee will resume LADOC's work on the next annual report in the coming months.

R2 - Grand Jury Recommendation.

The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in depth information to the public about the timing, funding, and execution of AD projects.

R2 - June 2019 Status Update.

The District remains committed to scheduling annual workshop-style meetings to review the LADOC annual report following its release. As described above, the first LADOC annual report is anticipated to be completed sometime between June 30 and the end of calendar year 2019, and the first such workshop-style meeting will follow its release.

R2 - February 2021 Status Update.

LADOC conducted several annual report public workshops while designing, researching, and debating what to include in the first annual report. (See Enclosure B.) There was little public attendance at these workshops. LADOC and the District initially planned to conduct a workshop-style meeting to review the final report after its release, but due to limited public interest and shifting priorities in the wake of COVID and the CZU Wildfire, no additional public workshops were conducted to review the final annual report following its adoption. Instead, an informational summary mailer was sent to all AD customers with a URL where the entire report can be accessed online. (See Enclosure D.)

R3 - Grand Jury Recommendation.

The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role.

R3 - June 2019 Status Update.

As stated above, the LADOC Charter was written and adopted by LADOC and approved by the Board on March 21, 2019. A copy of the LADOC Charter is enclosed with this letter.

R3 - February 2021 Status Update.

A copy of the LADOC Charter continues to be available on the District's website. It is understood by LADOC and the District that the Charter is a fluid document and may be amended, if needed and agreed upon by both LADOC and the District. The District's implementation of this recommendation is complete.

R4 - Grand Jury Recommendation.

The Board should ensure that LADOC receives adequate professional, technical, and administrative support from the District, as well as the authority to carry out its oversight responsibilities.

R4 - June 2019 Status Update.

The LADOC Charter confirms the scope of LADOC's authority and the professional, technical and administrative support to be provided by the District.

R4 - February 2021 Status Update.

The LADOC Chairperson reports that after initially struggling to obtain information and support, LADOC now receives the support it requests from the District. The District provided many hours of staff support time to assist LADOC in producing the first annual report, which covers three years. The District's implementation of this recommendation is complete.

RS - Grand Jury Recommendation.

The District should provide formal training for all LADOC citizen committee members in governance, meeting management, and the Brown Act.

RS - June 2019 Status Update.

The LADOC Charter confirms the District's commitment to provide training to LADOC members on topic including Brown Act, Roberts Rules of Order, Conflict of Interest, and any other training as deemed useful and requested by the Committee. The first such training was offered on January 23, 2019, on Brown Act and Ethics, presented by the Chief Risk Officer of the Special District Risk Management Authority.

RS - February 2021 Status Update.

The LADOC Chairperson reports that past committee members have attended training on government ethics and the Brown Act. The most recent District-wide Brown Act training was provided on January 7, 2021.² Incoming new members of LADOC will need to receive the training. LADOC intends to include new member training on its first meeting agenda for 2021, and will consider whether to create a new member training packet.

R6 - Grand Jury Recommendation.

The District should provide formal training about assessment districts to LADOC members and all others involved in the administration of the Assessment District.

R6 - June 2019 Status Update.

The LADOC Charter confirms the District's commitment to provide training to LADOC members regarding assessment district procedures upon LADOC's request. The LADOC Chairperson has stated that LADOC will agendize the matter of making such a request for discussion and possible action at LADOC's next committee meeting.

R6 - February 2021 Status Update.

LADOC and the District have had ongoing discussions about whether to schedule this training and what it would entail. The LADOC Chairperson reports that the discussions temporarily were put on hold in the wake of the COVID and CZU Wildfire emergencies. Both District staff and LADOC members have researched the existence of assessment district training. The County identified an expert resource who has since retired and is no longer available. The District Manager has contacted a consulting firm that said it would develop training for LADOC, and the District recommends that LADOC consider this option during its first meeting of 2021.

R7 - Grand Jury Recommendation.

The District should record all Board and committee meetings, and post the recordings online for public access.

² See Enclosure H.

R7 - June 2019 - Status Update.

The District continues to work with Community Television to videotape its regular Board meetings and to make the videos available online to the public. In January 2019 the Board adopted a revised Policy Manual which increases the number of regular Board meetings from one to two per month. This increased number of regular Board meetings reduces the need for special meetings that generally are not videotaped. (Committee meetings are not videotaped due to resource constraints.) The revised Board Policy Manual also calls for summary minutes rather than action minutes for all public meetings, and such summary minutes provide more information to members of the public not in attendance. The revised Board Policy Manual and examples of minutes in the new format are attached. Also, the District continues to experiment with technology that embeds links to audio recordings of meetings into the minutes.

R7 - February 2021 Status Update.

The District continues to work with Community Television ("CTV") to make Board meetings available and accessible to the public. The Governor's Executive Order N-29-20 creates a Brown Act exception that allows and encourages public meetings to be conducted remotely during the ongoing COVID pandemic. Accordingly, since about April 2020, CTV has been hosting the District's meetings via the Zoom platform and broadcasting regular meetings on local television. The District's implementation of this recommendation is complete.

RS - Grand Jury Recommendation.

The District should provide formal training to all Board and committee members and senior staff on how to communicate with the public on contentious issues.

RS - June 2019 Status Update.

The District remains committed to provide training on how to communicate with the public on contentious issues to all Board and Committee members and senior staff. The District has been made aware of potential training resources on this topic, including Jen Davis-Turner consulting, and welcomes any additional suggestions. The District intends to provide such training by the end of this year.

RS - February 2021 Status Update.

The District conducted this training as an all-day public meeting, hosted by videoconference on July 22, 2020. (Enclosure E.) The District held a follow-up discussion at a regular meeting conducted on November 5, 2020. (Enclosure F.)

In conclusion, the District would like to thank the 2020 Chairperson of LADOC, Ms. Toni Norton, for submitting written input to assist the District with this response. Her memorandum to the District includes the following final statement, copied verbatim below for the benefit of the Grand Jury:

"The purpose of the Assessment District is to ensure that all necessary infrastructure improvements are completed. With the seating of the board members elected in November 2015 and the appointment of DM Rogers SLVWD began to fulfill the promises made when the merger of LCWD and SLVWD were in negotiations. They promised that if the people of Lompico committed to delivering the \$2.9 Million dollars, which the SLVWD recommended Engineer, estimated the infrastructure improvements SLVWD demanded would cost, then they would immediately prioritize those Lompico projects. The Bond measure failed, but the alternative Assessment District passed. The money was delivered. For almost a year and a 1/2 no progress was made. Thank goodness for Lompico, with the new Board members and Rick Rogers at the helm as

District Manager our projects are now very close to completion. However, because of that long delay in starting costs have sky rocketed. What Lompico cares about is clean, fresh, safe, available water. Lompicans want the promises made to be promises kept. So far, things look very good. That is what is important."

Feel free to contact me, or District Manager Rick Rogers, should you require additional information.

Sincerely,



Gail Mahood,
President, SLVWD Board of Directors

cc: Lois Henry, Vice President, SLVWD Board of Directors, and Board liaison with LADOC
Bob Fultz, SLVWD Board of Directors
Tina To, SLVWD Board of Directors
Mark Smalley, SLVWD Board of Directors
Rick Rogers, District Manager
Gina Nicholls, District Counsel

Enclosures:

Enclosure A - LADOC Annual Report
Enclosure B - LADOC Meeting Agendas for 2019 and 2020
Enclosure C - Board Agenda Packet for February 20, 2020 (excerpt; LADOC annual report review)
Enclosure D - Informational Mailer to AD Customers Announcing Release of LADOC Annual Report
Enclosure E - Board Agenda Packet for July 22, 2020 (contentious issues / governance workshop)
Enclosure F - Board Agenda Packet for November 5, 2020 (excerpt; governance workshop review)
Enclosure G - SLVWD's letter response to the Grand Jury, dated June 6, 2019 (w/ enclosures)
Enclosure H - Board Agenda Packet for January 7, 2021 (excerpt; District Brown Act Training)

Enclosure A



The Lompico Assessment District Oversight Committee (LADOC), with the approval of the San Lorenzo Valley Water District (SLVWD) Board of Directors (BoD) is pleased to present the LADOC 2019 First Annual Report.

LOMPICO
ASSESSMENT
DISTRICT
OVERSIGHT
COMMITTEE-
LADOC

Toni Norton-
Chair, Mary Ann
LoBalbo-Vice
Chair, Debra
Loewen and
Norm Hagen



LOMPICO ASSESSMENT DISTRICT ANNUAL REPORT

2019

This report covers the time period from inception June 1, 2016 through June 30, 2019

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This report covers the time period from 6/1/2016 through 6/30/2019.

LADOC will strive to deliver the report each remaining year of the Assessment District term, which is scheduled to continue through June of 2025.

We are committed to meeting the following Annual Report guidelines as specified in the:

LADOC CHARTER:

1. A statement indicating whether the proposed Assessment District expenditures are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report.
2. A statement indicating whether the prior fiscal year Assessment District expenditures have been reviewed by LADOC and are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report. Said statement shall include an itemization and summary of the prior fiscal year Assessment District revenues and expenditures. Included in the itemization and summary shall be information about any loans related to completing the Assessment District projects (i.e., terms, interest and balances.)
3. Any other information LADOC deems as useful for furthering understanding of Assessment District revenue and expenses, projects, funding, history or purpose.
4. The Annual Report shall be based on the District Fiscal Year and will be completed as soon as possible after June 30, each year, using preliminary data.

The Lompico Assessment Oversight Committee, as of publishing date: February 2020

Toni Norton-Chair, Mary Ann LoBalbo-Vice Chair, Debra Loewen and Norm Hagen

Questions regarding the Annual Report may be directed to: LADOC@SLVWD.com

Staff Support: District Manager-Rick Rogers, Finance Manager-Stephanie Hill and District Secretary Holly Hossack.

San Lorenzo Valley Water District, 13080 Highway Nine, Boulder Creek, CA 95006

Board of Directors: Lois Henry-President, Bob Fultz-VP, Lew Farris-Director, Steve Swan-Director, Rick Moran-Director





LADOC CHARTER

LADOC MISSION STATEMENT

To serve as a Liaison between the Lompico Assessment District customers and the District. To strive to advocate for the community and obtain answers to questions and concerns regarding Lompico Assessment District expenditures and projects. Commitment to Excellence. LADOC is committed to applying the highest standards to public outreach, research and reporting, with excellent representation on behalf of AD-16 property owners, exemplifying the District's commitment to transparency and support.

LADOC PURPOSE

The purpose of the Committee is to review and oversee income and expenses related to construction projects in the Assessment District AD-16 Engineer's Report, to serve as liaison for customers residing within the Lompico Assessment District boundaries, and to inform the Board and public at least annually concerning the revenue and expenditure of assessment district proceeds and projects approved by the voters of Lompico on March 6, 2015, by issuing a written report.

COMMITTEE ESTABLISHED

The Board of Directors (the "Board") of San Lorenzo Valley Water District (the "District") established the Lompico Assessment District Oversight Committee (LADOC, or the "Committee"), in accordance with Local Agency Formation Commission (LAFCO) resolution 953-A for annexation, also called the "merger" agreement. On May 4, 2016, Lompico property owners voted in favor of a 10-year assessment district (AD 2016-1) to generate \$2.75 million in revenue to repair, replace and upgrade infrastructure in the Lompico service area, as requirement for joining the District. The resolution was amended from a "bond" to an "assessment" for the revenue source and went into effect on June 1, 2016. The first five members of the Lompico Oversight Committee were seated on July 21, 2016 by Board action, in accordance with provisions of amendment to Section 15 of the Board Procedure Manual (May 19, 2016) and duties as amended on January 28, 2019 in an updated charter. Many of these changes were initiated due to recommendations outlined in the Grand Jury Report "Encouraging the Flow of Information to the Public" published May 31, 2018.

To view entire charter at: https://sanlorenzocawater.pt7.civics.com/sites/sanlorenzocawater/files/uploads/ladoc_charter.pdf

BALANCE SHEET AND PROJECT STATUS

LOMPICO ASSESSMENT DISTRICT BALANCE SHEET					
Running Totals Since Inception	TOTAL	FY1819	FY1718	FY1617	FY1516
ASSESSMENT REVENUE	\$922,013	\$309,126	\$301,377	\$282,580	\$28,930
EXPENSES					
METER PROGRAM	-\$197,888			-\$197,888	
SCADA	-\$19,540			-\$19,540	
SCADA SURVEY	-\$8,257	-\$8,257			
SERVICE LINES	-\$43,982	-\$19,694	-\$24,288		
MAIN PRV	-\$36,820	-\$30,292	-\$6,528		
Lewis Tank	-\$23,242	-\$23,242			
Madrone Tank	-\$23,242	-\$23,242			
Kaski Tank	-\$23,242	-\$23,242			
NBS Administration Services*	-\$15,513	-\$4,593	-\$10,920		
	-\$391,726				
CASH BALANCE	\$530,287				
*Company that provides administrative services for Assessment Districts					
LOMPICO ASSESSMENT DISTRICT PROJECTS AND EXPENSES**					
ASSESSMENT DISTRICT PROJECTS	STATUS	Assessment Estimate	BID	Prelim work Total	
Install 3 New Bolted Steel Tanks		\$ 682,500			
Lewis Tank(s) – replace two	Engineering and consulting completed-awaiting RFQ response				\$ 23,242
Madrone Tank(s) – replace two	Engineering and consulting completed				\$ 23,242
Kaski Tank(s) -replace two	Engineering and consulting completed				\$ 23,242
Refurbish Mill Creek WTP	Project cancelled - see details	\$ 105,000			\$ -
Service Line and Meter Replacements		\$ 862,500			
Meter Program	Complete				\$ 197,888
Service Line/Lateral	Ongoing - 38 replaced - see details				\$ 43,982
Distribution System Interconnect	Ongoing - see details	\$ 301,000			\$ -
SCADA System	Temporary- see details	\$ 441,000			\$ 27,797
Remove and Replace Existing PRVs	In progress	\$ 358,000			\$
6 PRV units on water mains	Expenses for consulting work. Awarded Bid for all \$468k Feb			x	\$ 36,820

** Represents all Assessment revenue and expenses since inception of Lompico Assessment District. Please see Assessment District AD-16 Engineer's Report included for additional details regarding estimates.

LETTER FROM THE LADOC CHAIR

Dear Residents of the Lompico Assessment District and Customers of SLVWD,

It's been a tough three years, but finally we are on track for meeting our goal to deliver safe, reliable, clean water to the taps of Lompico Assessment District homes.

- Thanks to a grant provided by the State of California, we have an Intertie connected to SLVWD that consistently delivers the safe, clean water we need and deserve. As the District Manager will explain in his report, updates to the Intertie are still required to meet future flow requirements.
- Finally, there are specific plans and timelines in place to address all of the projects listed in the Assessment District Engineer's Report. You'll read the details in the District Manager report
- We have a District Manager that is extremely knowledgeable about the specific water needs of the entire San Lorenzo Valley, including Lompico. He is dedicated to completing the Assessment projects as quickly and efficiently as possible always with an eye to cost savings. DM Rick Rogers is also accessible, responsive and quick in addressing our concerns.
- Your LADOC Committee now has standing quarterly meetings with SLVWD Finance Director, Stephanie Hill and District Manager, Rick Rogers where we are provided with detailed financial reports updating us on the expenditures of the Assessment District funds and status regarding the Assessment Engineering Report projects. Under the direction of the previous District Manager, we were allowed minimal interaction with the SLVWD Finance Department, and were provided minimal financial information.
- We now have a SLVWD Board in place that understands and supports the terms of the Merger Agreement's requirement for an Oversight Committee. They willingly give us access to information, assistance from their staff and support our desire and responsibility to report back to the Lompico Assessment District Community.
- With the full support and approval of the Board, with no restrictions, our committee published both the Lompico Assessment District Oversight Committee (LADOC) Charter and the Assessment District First (ever!) Annual Report.

While I can't say all the recommended steps to support the Lompico Assessment District Oversight Committee (LADOC) listed in last year's May 2018 Grand Jury have been fulfilled, many have and I have confidence that we'll get there soon.

We welcome both the residents living in the Lompico Assessment District and all customers of San Lorenzo Valley Water District to attend our Quarterly Meetings that are held currently at the SLVWD Operations Building. We schedule additional meetings, as needed and try to hold them at the Zayante Fire Station, if the space is available. All meetings are posted on the SLVWD.com website and the public is always welcome.

I am certain you all join in our hope that the projects will be successfully completed, Lompico's Infrastructure will be safe and sound and the LADOC's responsibilities will be fulfilled!

Sincerely,

Toni Norton

Lompico Resident and LADOC Chair



BRIEF HISTORY of LOMPICO COUNTY WATER DISTRICT

Lompico County Water District was formed in 1963 by the community of Lompico Canyon, located within the watershed of San Lorenzo River in the Santa Cruz Mountains. In 1964, the 70 registered voters in Lompico approved a 1.5 million dollar water infrastructure bond. In 1974 the State of California set a moratorium limiting customer hookups to no more than 500, based on a limited water supply. The system was completed in 1978, and the last of the four series of 40-year bonds paid off in 2018.

The district's water sources were from Lompico Creek, a federally protected steelhead trout habitat, and half a dozen wells located in the low-yield Monterey aquifer.

After several earlier attempts, in response to recommendations by State and County agencies, Lompico resumed talks in 2010 with larger neighboring water district SLVWD as to the possibility of a merger. In 2015 Lompico County Water District (LCWD) was named by the State as one of 17 small water systems in danger of running out of water resources during the drought.



Thanks to an emergency grant from the State of California, an intertie was installed connecting LCWD to SLVWD. The emergency intertie has been converted to a full-time water supply for Lompico Canyon residents. Future upgrades will be funded via the Assessment District funds which became available, after a successful annexation and Assessment vote was completed in 2016.

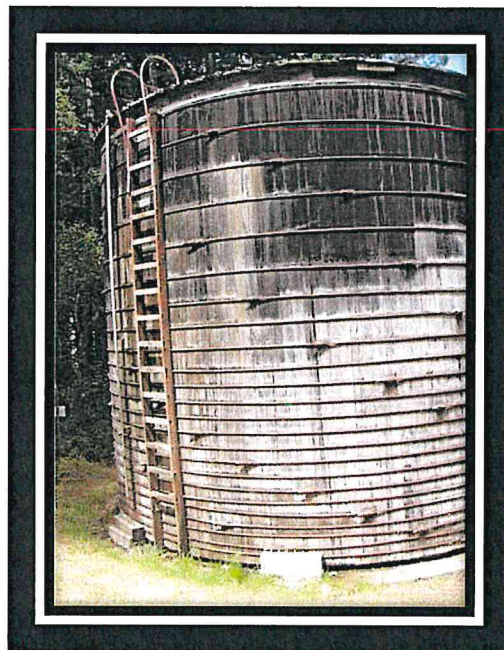
WHAT IS AN ASSESSMENT DISTRICT? *

.....and how much do we pay and for how long?

“Assessment districts have been in use in California for the past 150 years. Local agencies, including cities, counties, and special districts, may establish assessment districts for the purposes of financing all or a portion of the cost of certain public improvements and services. Each property within an assessment district is assessed an amount sufficient to cover the proportional cost of the special benefit that it receives from the improvements or services that are paid for by the assessment.”

“The proposed assessment must be supported by a detailed engineer’s report prepared by a registered professional engineer, which would, under Proposition 218 ... include identifying the parcels that will receive a special benefit from the improvements or services to be funded by the assessment, determining the proportionality of the special benefit among the parcels, and making certain the assessment levied upon a parcel is not greater than its proportionate share of the costs of the special benefit received.” *From the California Debt and Investment Advisory Commission, State Treasurer’s Office, www.treasurer.ca.gov/cdiac/

The Assessment amount for each improved parcel having a water meter in Lompico is \$587 a year for ten years, per the Engineer’s Report, calculated at 500 service connections. In addition, the Assessment District allowed the County to add a small fee to collect the revenue on property taxes, initially up to 2% of the annual installment.







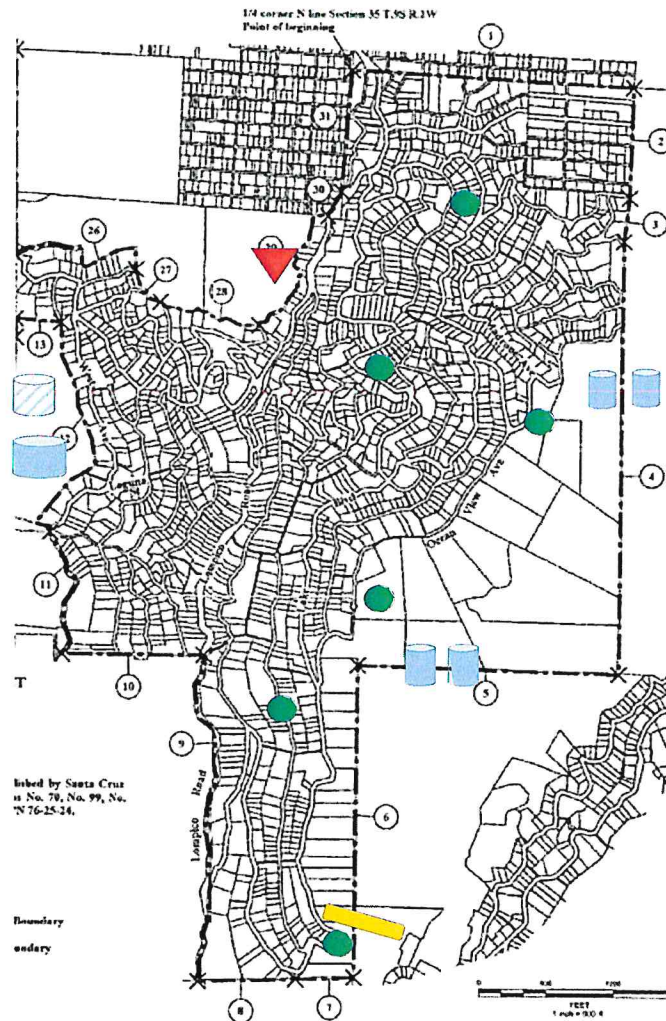
Current Lewis Tank

ENGINEER'S REPORT FOR LOMPICO ASSESSMENT DISTRICT

The Assessment required an Engineer's Report, describing its specific purpose:

Established a fund for construction projects in Lompico Six projects:

Replacement of 6 redwood tanks	\$682,500	3 sites	
Refurbish Mill Creek treatment plant	\$105,000		
Service line and meter replacement	\$862,500	System wide	
Distribution system Interconnection	\$301,000		
SCADA (automated control system)	\$441,000	System wide	
Replace PRVs (pressure reducing valves)	\$358,000	6 sites	
Total Construction	\$2,750,000		
Loan Interest	\$183,734		
Total Assessment	\$2,933, 734		



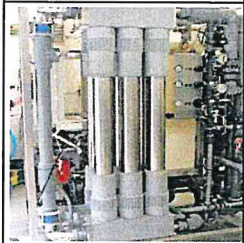
LOMPICO ASSESSMENT DISTRICT PROJECTS

Lompico Assessment District Projects Overview (Information provided by District Manager Rick Rogers)



Water Storage Tanks

Lompico currently has five redwood tanks in operation, for a total of 340,000 gallons of water in storage. Just prior to the merger a sixth redwood tank (Lewis 2) was taken out of service due to leakage. The assessment district provided funding for replacement of all six tanks. The tank locations are Kaski, Madrone, and Lewis. Capacity of the tanks at each location will be determined by computer modeling of the water system to ensure adequate water storage for fire or disaster. Total capacity for the six tanks will be at least 440,000 gallons of stored water. The redwood tanks will be replaced with steel nut & bolt design.



Mill Creek Water Treatment Plant


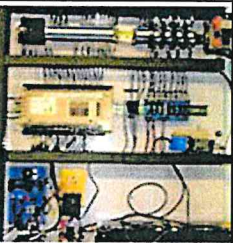
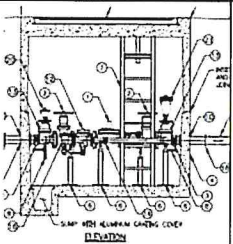
The assessment district provides funding for upgrading and repairs to the Mill Creek Water Treatment plant. The treatment plant is a MEMCOR pressurized, pre-engineered membrane system package water treatment plant. During pre-merger inspections the system was off line due to drought conditions, basically there was no water in Lompico Creek. The system also experienced maintenance and electrical control issues requiring extensive staff time.

Initial pre-merger planning was operating Lompico as a stand-alone water system requiring the use of all Lompico sources of supply. By the time the merger was finalized operations changed to operating Lompico as pressure zone, part of the North System and not utilizing Lompico sources of supply. Under these circumstances the treatment plant will not be needed.



Service Lines and Meters

The assessment district provides funding for replacing all (approximately 500) of Lompico Water meters and service lines. Existing service lines have been failing due to a poor quality Polybutylene material service lines. Polybutylene is a form of plastic resin that was used extensively in the manufacture of water supply piping from 1978 until 1995. We believe it was installed in at least 6 million homes. Due to the low cost of the material and ease of installation, polybutylene piping systems were viewed as "the pipe of the future" and were used as a substitute for traditional copper piping. It is believed that oxidants in the public water supplies, such as chlorine, react with the polybutylene piping and acetyl fittings causing them to scale and flake becoming brittle and resulting in failure. At the time of the merger it was estimated that 68 service lines had been replaced by Lompico Staff. The domestic water meters need to be replaced due to age and ability to retrofit to the District's meter reading software. The District selected the new Badger Meter with "Eye on Water" software that lets you connect to customer's water account to you see how much water you're using and can even alert you to possible leaks on your property. This can be done while you're on vacation using your smart phone.

	<p>Interconnection</p> <p>The assessment district provides for upgrading the existing Lompico/SLVWD Interconnection located at the end of Zayante Drive. During the planning stages of the merger an interconnection was required due to the ongoing lack of water supply in Lompico. The 2014 drought exacerbated already difficult water supply conditions for Lompico. Lompico Water was one of 17 water systems identified in California that could run out of water in 60-120 days. Funding assistance from the Governor’s Office of Emergency Services was requested and approved to fund the construction of an emergency interconnection. The temporary intertie was only able to produce 80 gallons per minute instead of the engineered 150 gallons per minute, at a bare minimum, as funded to keep Lompico in water. The assessment district project provides funding for upgrading the booster pump to 150 GPM and replace existing undersized (2 inch) main line along Zayante Drive supplying water to the booster pump.</p>
	<p>Supervisory Control and Data Acquisition (SCADA)</p> <p>SCADA is a computer system for gathering and analyzing real time data. SCADA systems are used to monitor and control water tank levels, high/low level alarms, start/stop pumps or equipment with remote monitoring. Lompico’s existing SCADA system had reached its life expectancy and was no longer functioning at the time of the merger. Staff was required to run the system by manual operations driving to each individual tank checking water levels several time a day. As part of the merger SLVWD purchased and installed a temporary SCADA system to reduce staff time operating the water system. The assessment district provides funding for a complete comprehensive SCADA system which would integrate into the District’s main SCADA system. To reduce costs district staff have re-evaluated the temporary SCADA system and determined that this system will integrate into the District Main SCADA system and not require replacement. This is a substantial cost savings.</p>
	<p>Pressure Reducing Valve Stations (PRVs)</p> <p>Due to the step topography of the Lompico Canyon water pressure must be regulated to avoid high water pressure damage to mainlines, fire hydrants and customer plumbing. To provide water pressure throughout the Lompico Canyon are eight PRV Stations. The existing stations have reached their life expectancy and are no longer regulating pressure resulting in pressure spikes in excess of 150 PSI. With a change in the water tank replacement locations and increasing storage at key locations, one of the PRV stations will not be required, reducing the number of stations to be replaced to seven. The PRV sites are on Coleman Ave, Van Allen Rd, Edgewood Dr., Visitar St, Lake Blvd and Lakeview Ave.</p>

DISTRICT MANAGER'S REPORT



SAN LORENZO VALLEY WATER DISTRICT

13000 Highway 9 • Boulder Creek, CA 95006-8119

Office (831) 338-2153 • Fax (831) 338-7966

Website: www.slvwd.com

January 24, 2020

Lompico Assessment District Customers

After a long, tireless campaign by dedicated Lompicans concerned with water quality and quantity, on May 4, 2016, Lompico property owners voted approval of a 10-year assessment district (AD-2016-1) to generate \$2.75 million in revenue to repair, replace and upgrade infrastructure in Lompico and to consolidate with the San Lorenzo Valley Water District.

On June 1, 2016, the consolidation of Lompico County Water District (LCWD) was finalized and the San Lorenzo Valley Water District took over ownership and operations of the Lompico water district. Shortly after, as required by the assessment, on July 21, 2016, the District's Board of Directors created the Lompico Oversight Committee.

San Lorenzo Valley Water District, working with a group of LCWD Board of Directors and property owners facilitated a list of Capital Projects that the district required for a successful transition. The \$2.75 million project list consisted of the following projects:

- Replacement of all water storage tanks; Lewis, Kaski, and Madrone
- Repair and upgrade to the Mill Creek Surface Water Treatment Plant
- Replacement of all water meters and service lines
- Replacement of all SCADA Controls
- Upgrade of transmission water main to the Lompico Booster (SLV side)
- Replacement of all Pressure Regulating Stations (PRV valves)

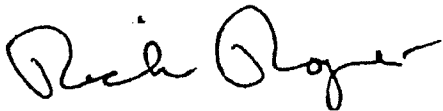
When the list of projects was developed the District was looking to operate the system as "stand-alone" with a separate water supply permit. As time went on circumstances changed and it was determined that we could consolidate Lompico into the San Lorenzo Valley Water District and operate as a pressure zone saving substantial operational costs, reducing the operational surcharge, and eliminating the need to repair and upgrade the Mill Creek Surface Water Treatment Plant.

Before consolidation and the last year of Lompico ownership, the San Lorenzo Valley Water Operational Staff worked very closely with Lompico staff learning operations. It needs to be stated that the Lompico Board of Directors and staff operated the Lompico system with pride and professionalism under circumstances that were not ideal. Field staff worked 7 days a week and Board members were performing as staff.

When SLVWD took over ownership the priorities were water quality and quantity. The District performed an aggressive main line flushing program which involved cleaning mainlines and removing sediment which was causing degraded water quality and not meeting state water quality standards. All Lompico water sources which were producing objectionable water quality were shut down. To ensure maximum water storage and monitoring alarms the District installed a temporary SCADA system within the first six months. Additionally, all water meters were changed out to configure into the District billing system.

The District is moving forward with the construction of projects. The PRV valve station will be completed by February 2020, and water tank replacement projects (6 tanks) is anticipated to begin construction Spring of 2020. After the total construction costs of the Lompico Tanks project are known, and the costs of the projects completed to date, the District and the Lompico Assessment District Oversight Committee will reevaluate total funds remaining and discuss moving forward with the methodology to complete the remaining projects. It is the goal of the District to complete the remaining assessment District projects by the end of the calendar year 2022.

The District has always believed that Lompico is part of the San Lorenzo Valley and belongs to be with the San Lorenzo Valley Water District. You are valued customers of the District and we look forward to providing you with exceptional water quality, quantity, and customer service.

A handwritten signature in black ink, appearing to read "Rick Rogers". The signature is fluid and cursive, with a large initial "R" and "O".

Rick Rogers, District Manager
San Lorenzo Valley Water District

LOMPICO ASSESSMENT DISTRICT FINANCIAL REPORT **BUDGET & EXPENSES**

TRACKING ASSESSMENT FUNDS

Revenue is collected from Lompico property taxes by the County and held in a special account. Assessment funds may not be used for any purpose other than described in the Lompico projects AD-16 in the Engineer's Report.

SOURCE OF REPORT DATA

LADOC meets with the SLVWD Finance Director who presents a Quarterly Finance Report. Included is an itemization of revenue per quarter and to date with an itemization of ongoing expenses per project, including labor and materials. Reports may also include receipts and labor timecards. The LADOC charter allows committee members to request and review all relevant data sources.

Assessment Collection Management is contracted by SLVWD to a consultant, NBS Government Finance Group via their Special Finance District (SFD) Administration service, for tasks not included by the County when collecting the Assessment on property taxes. The cost for this service has been about \$1,150.00 per quarter, charged to the Assessment District.

NBS ADMINISTRATIVE SERVICES

Following Information provided upon request by SLVWD Finance Director: Main Assessment District Administration Services Provided by NBS:

DATA COLLECTION

NBS will gather and review data relevant to the administration of the district. Data will be obtained from various sources, including Water District records, Assessor's parcel maps, and County Assessor information and establish a database for the assessment district.

COST RECOVERY

NBS will identify all costs associated with the administration of the Assessment District and recover those costs through the levy process as outlined in §8682 and §8682.1 of the California Streets and Highways Code. These costs may include, but not be limited to Registrar/Transfer/Paying Agent fees, Arbitrage Rebate calculation fees, bank fees, and expenses of the Water District and its consultants related to the administration of the district.

ANNUAL ASSESSMENT LEVY

NBS will calculate the annual assessment levy for each parcel in the district and submit the amount for each parcel to the County in the format and medium (i.e. tape, diskette) required by the County Auditor-Controller.

RESUBMISSION OF REJECTS

NBS will research the status of any parcels rejected by the County Auditor-Controller, and resubmit corrected data for collection on the County Tax Roll. Any parcels that are not accepted by the County for collection will be invoiced directly, with payment directed to the Water District.

MAINTAIN ASSESSMENT DISTRICT DATA

NBS will annually track all parcel changes to ensure that all changes are documented. Historical parcel change and assessment apportionment data will be maintained by NBS.

ANNUAL REPORT

NBS will provide a comprehensive Annual Report that will show a detailed listing of the amounts submitted to the County or directly billed for collection, details of delinquent assessments, fund analysis, paid off parcels and release of liens, all bond call activity, and assessed valuation information.

DELINQUENCY MONITORING

NBS will provide the Water District with a comprehensive list of delinquencies after each installment becomes due. This report will show delinquency percentage as well as a detailed list of each delinquent parcel.

PREPAYMENT CALCULATION/AMORTIZATION SCHEDULE

NBS will provide assessment prepayment calculations and amortization schedules to interested parties. The requester will pay the cost of this service; however, there will be no charge to the Water District or property owners.

RELEASE OF LIENS

NBS will prepare all documents required to release the liens of parcels that have prepaid the assessment.

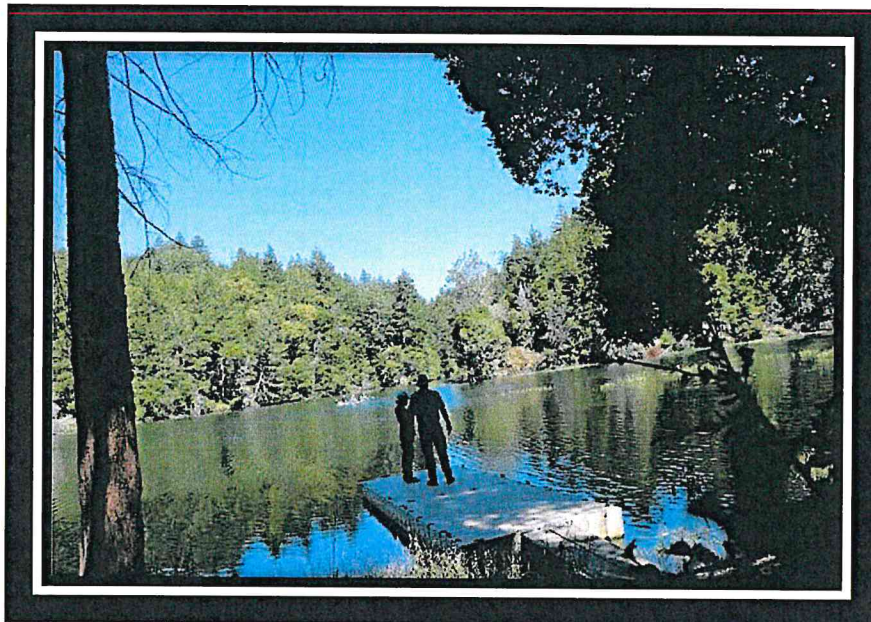


SLVWD Capital Budgets – Lompico Projects

Capital Project Summary						
Fiscal Year 16-17	Planning		Construction (80%)	Contingency (10%)	2016-17 Total	Overall Project Total
	/Design (8%)	CEQA(2%)				
Lompico Service Area			\$ 168,000	\$ 16,800	\$ 184,800	\$ 184,800
Lompico Service Area Tank Replacement	\$ 75,000				\$ 75,000	\$ 75,000
Lompico SCADA	\$ 2,500		\$ 25,000	\$ 2,750	\$ 30,250	\$ 30,250
Fiscal Year 2016/2017						
Water Enterprise Fund	\$ 3,025,850					
Lompico Assessment District	\$ 354,050					
Sewer Enterprise Fund	\$ 400,000					
Total	\$ 3,779,900					

#	Project	Funding Type	Spent in Prior FY	FY 17/18 Budget	Future FY Projection	Project Cost
20	Lompico Lewis Tank Replacement	Assessment District	\$ -	\$ 25,000	\$ 175,000	\$ 200,000
21	Lompico PRV Replacements	Assessment District	\$ -	\$ 50,000	\$ 150,000	\$ 200,000

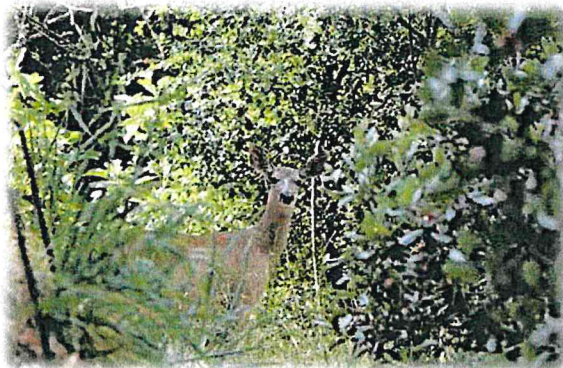
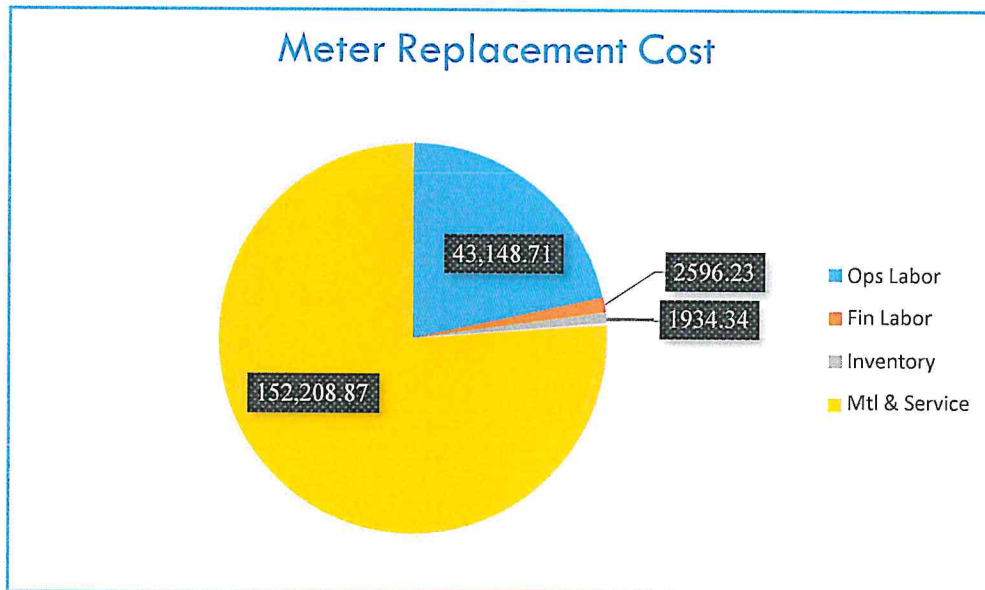
#	Project	Funding Type	Spent in Prior FY	FY 18/19 Budget	Future FY Projection	Total Project Cost
30	Service Line Replacements	Lompico AD	\$25,000	\$150,000	\$489,600	\$664,600
31	PRV's	Lompico AD	\$50,000	\$90,000	\$218,000	\$358,000
32	Interconnection Booster	Lompico AD		\$45,000	\$256,000	\$301,000
33	Lewis Tank	Lompico AD		\$34,000	\$193,334	\$227,334
			\$75,000	\$319,000	\$1,156,934	\$1,550,934



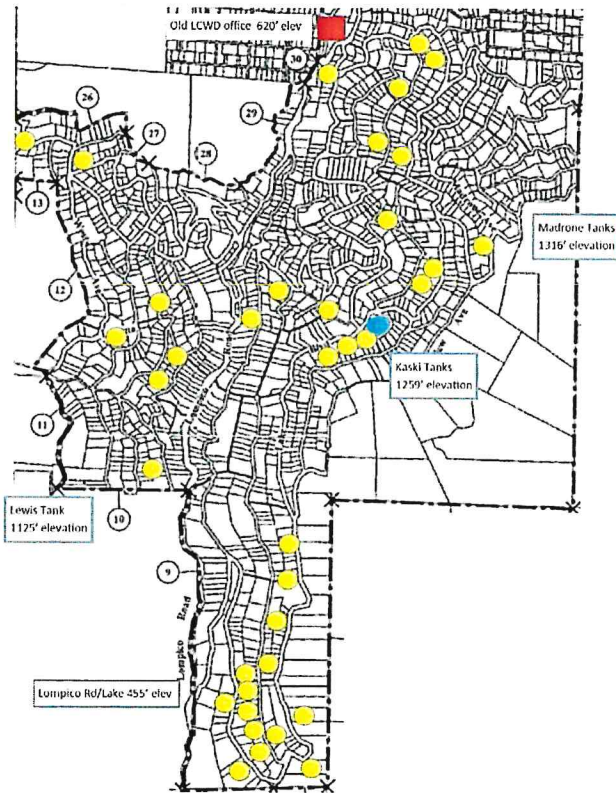
Loch Lomond

LOMPICO METER CHANGEOUT WORK ORDER #129

Labor & Overhead 22%	\$43,744.94	Operations Dept. \$41,148.71	Payroll \$ total per 5- pay periods Aug 17 to Oct 26, 2017 Labor \$27,728.24 OH \$13,420.47
		Finance Dept. \$2,596.23	80 hrs. @ \$23.88 Labor \$1,910.40; OH \$685.83
Materials 78%	\$154,143.21	\$1,934.34	Inventory
		\$152,208.87	Materials and Service: Rent vac truck \$1,843.94 5/8 meter w/lid approx. \$230 ea.
TOTAL	197,888.15	Average cost each	Installed at 500 meters is +-\$396.



SERVICE LINE REPLACEMENTS



Original material replaced:

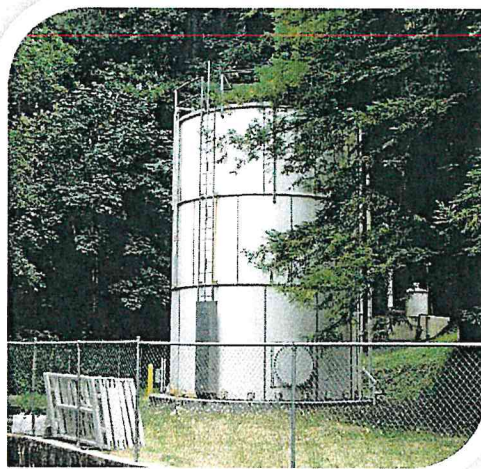
- Blue poly pipe - 36
- Copper pipe - 2

Locations

- West side - 8
- East side - 30
- 38% (14) are in Kaski zone (Visitar/Lake)

Cost:

Range of cost to replace ea.- \$635 to \$1610
Total cost for 38 replacements - \$43,982
=Average cost each \$1157



Clearwater Tank

COMMITTEE ANALYSIS AND RECOMMENDATIONS

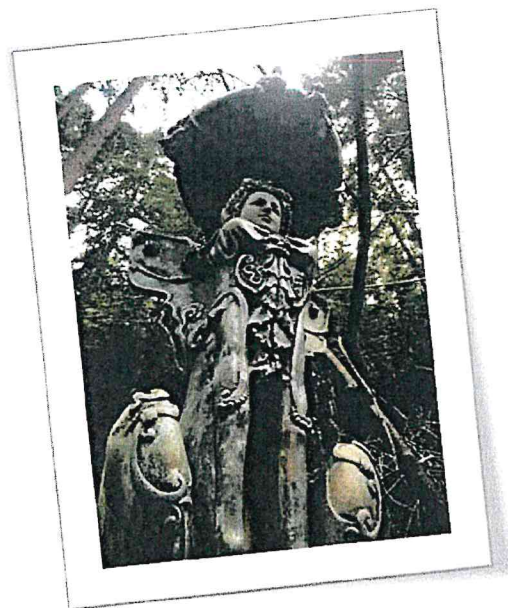
Assessment District expenditures have been reviewed by LADOC and, to the best of our knowledge, are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report. The Annual Report presented includes an itemization and summary of all prior fiscal year Assessment District revenues and expenditures as provided by the district, from June 1, 2016 to June 30, 2019. For the time period of this report, no loans have been taken out for Assessment District projects.

Committee Recommendations:

- Committee and district are in agreement that a third party expert in Assessment Districts is needed, as well as training on assessments and oversight for members, staff and the board.
- That the district move forward on securing a loan, as recommended in the Assessment Engineer's Report, to expedite all projects being completed in a timely manner.
- SLVWD website includes an area for the AD with details on projects and ongoing updates on progress and expenses, per Grand Jury recommendation [district website in process of being redesigned]
- More frequent district website public reports or posts on AD finances, in addition to Annual Report.

Committee Commends:

- Current SLVWD staff and board for their support.
- Thank You to the 2017-18 Grand Jury for their investigation and recommendations, which have been instrumental in defining and supporting LADOC duties.



FREQUENTLY ASKED QUESTIONS

Following are responses from the District Manager (DM) posed by the committee and members of the public.

FAQ

1. What is the process for changing or removing projects from the Engineer's Report list?

Response from District Manager (DM): DM will recommend to SLVWD Board of Directors (BoD) that a change be made to Board Manual indicating SLVWD Staff will meet with the current LADOC for discussion and consideration before any decisions are made to change or update AD projects. Committee note: answer subject to research findings on Assessment District management.

2. Is there a possibility of reducing Assessment District collections in later years?

DM: "Doubtful based on current cost expectations"

3. Is there a possibility ending the Assessment District early?

DM: "Doubtful based on current cost expectations"

4. Is the AD is collecting interest on a future loan?

DM: "The Engineering cost estimates for Assessment District funding includes a line item titled SLVWD estimated loan interest. The amount is \$183,734. The District fully intends to take out one or more loans to complete the Assessment Projects and will make use of these funds."

Loan has been obtained as of late 2019

5. Do you anticipate returning any unused funds to the ratepayers?

DM: "Doubtful based on current cost expectations."

6. Do you anticipate postponing the completion of Assessment District capital projects beyond ten years?

DM: "We have every expectation that the Projects will be completed by the end of 2022."

7. Will SLVWD come back to Lompico ratepayers for more money if the original assessment no longer covers the cost to complete projects in the original plan?

DM: "No. There are no plans to ask the AD customers to cover any additional costs. That would require another vote by the Assessment District."

8. Can projects be dropped from the original Engineers report list? What is the process, and what happens to those funds?

DM: "SLVWD will consider all Engineering Report recommendations, but will make adjustments based on current needs and costs. However, all AD revenues will be spent solely for the benefit of the Lompico Service Area." Committee note: answer subject to research findings on Assessment District management.

9. If SLVWD does not intend to use the treatment plants, can they be sold and the money used for Assessment District projects, or returned to Lompico ratepayers?:

DM: District Manager recommends that any revenues generated by the sale of the former Lompico property be added to the Assessment District funds.

10. Will the district plan to sell the old growth redwood from replaced tanks?

DM: "No. The demolition and salvage value of the existing redwood tanks are part of the construction contract and will be the responsibility of the contractor."

11. Is the metal recycle payback value of removed materials (old meters, fittings, etc.) being put back in the Assessment District fund?

DM: District Manager recommends any revenue generated by the sale of the old materials be added to Assessment District funds.

12. Does the present intertie meet flow requirements of the State? (ref BOD agenda 9.20.18 item 13.1(page 229) Permit Change and Report from State Water Resources)

DM: "No, not currently. However, once the Lompico Tanks are replaced, which have an anticipated project completion date by the end of 2020 summer, Lompico will have the combined resource of the intertie, plus the fully utilized, completely updated, steel, non-leaking tanks. The present intertie mainline replacement is scheduled to be replaced summer of 2021."



Lewis Tank, Wood Stave Condition

LOMPICO CITIZEN OVERSIGHT COMMITTEE - A HISTORY

A Lompico Citizens Oversight Committee was an element proposed and approved by SLVWD to be included in LAFCO "merger" Resolution 953-A. The SLVWD board reviewed applications and appointed the first five Lompico members in July of 2016. The first meeting was held at the old LCWD office in August. The original description/purpose of the committee written by SLVWD staff and published in the SLVWD stated "The Committee shall be responsible to review matters of stewardship, design, construction, replacement, and repair of the Assessment District facilities and property". This was revised in 2017 to include only assessment district fund and project oversight, and the name changed to LADOC, for Lompico Assessment District Oversight Committee.

The committee faced challenges of district support throughout 2017. At the October 19, 2017, meeting the District Manager proposed making the following changes to the Board of Directors Policy Manual impacting LADOC: redefine and differentiate LADOC as a "Public Committee" whose only purpose is to deliver and receive information, who therefore will have no need to produce and publish minutes, who will meet once annually at the time and place specified by the Board, the Board will appoint the Chair and Vice Chair of the LADOC. Fortunately, the October 19, 2017 meeting was well attended. Three LADOC members attended the meeting and spoke out against these egregious changes. Many members of public and all three public members of the other SLVWD Committees spoke out against the changes. Only one member of the Board spoke in favor of the changes and she also admitted that she had assisted the District Manager in preparing the recommendation. No action was taken on the proposal.

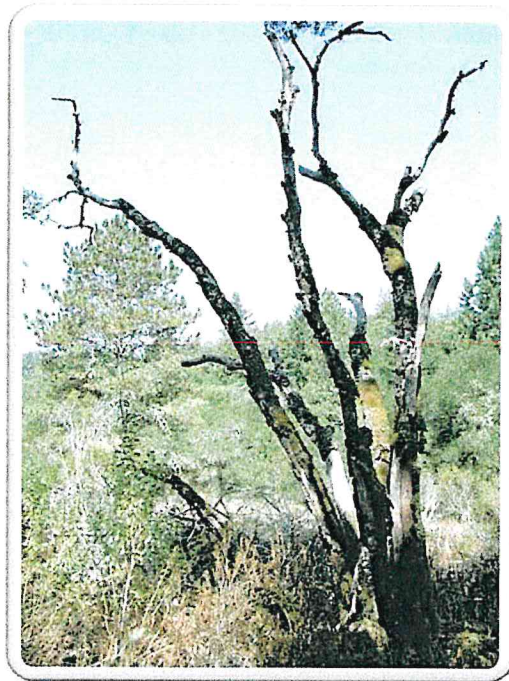
In the meantime, months earlier LADOC had approached and met with members of the Finance Committee to request assistance in developing the Finance Report which had been promised by the District Manager since the very first meeting. The Chair of LADOC met with the Chair of the Finance Committee (also a Board Director) and an agreement was struck for the LADOC to hold a meeting once Quarterly at the Boulder Creek Operations Building with both the Finance Director and a Board Member (preferably the Chair) in attendance to present the Lompico Assessment District Quarterly Finance Report. It was also agreed that LADOC could continue to meet as often as they deemed necessary to meet their obligations.

A series of resignations throughout 2018 resulted in lack of a quorum and irregular meetings. With the exception of one missed meeting, due to the lack of a quorum, LADOC has met regularly on a quarterly basis since November 2017, with greatly improved district support under the new District Manager and board of directors.

A new Charter was written by the committee in January 2019, and adopted by the Board, to meet the recommendations of a Grand Jury investigation and report released May 2018.

Members of the Committee 2016 to present:

April Crittenden	July 2016 – Feb 2018	Secretary 2016-2018
John Grunow	July 2016 – April 2018	
Lydia Hammack	July 2016 – June 2018	Chair Jan 2018-June 2018
*name withheld at member request	July 2016 – June 2018	Vice chair Jan 2018-June 2018
Toni Norton	July 2016 to present	Chair July 2016-Jan 2018; Nov 2018 to present
Andrew Rippert	April 2018 – June 2018	
Mary Ann LoBalbo	April 2018 to present	Vice Chair Nov 2018 to present
Jennifer Gomez	Sept 2018 to April 2019	
Dennis Lynch	Sept 2018 – Oct 2018	
John Wright	Sept 2018 to April 2019	
Debra Loewen	January 2019 to present	
Norm Hagen	August 2019 to present	



2017-18 GRAND JURY FINDINGS and RECOMMENDATIONS

San Lorenzo Valley Water District
“Encouraging the Flow of Information to the Public”
Published May 31, 2018

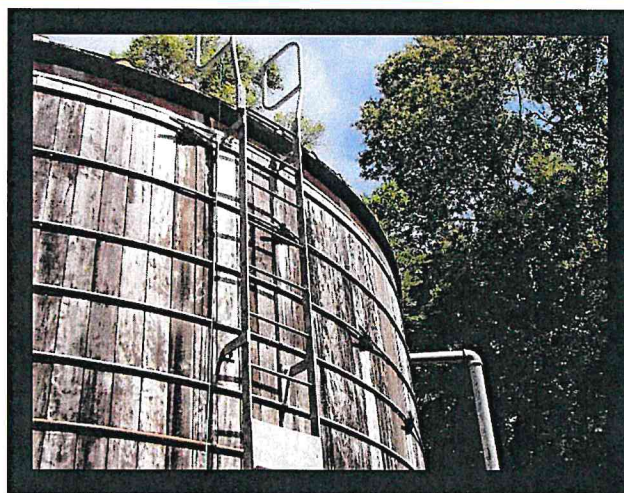
Summary

“Since mid-2016 the San Lorenzo Valley Water District (SLVWD or District) has struggled to address public concerns about a number of controversial issues. The administration of the Lompico surcharge and capital projects, use of glyphosate in the watershed, and a lawsuit involving a former Board member, were among the issues that drew sharp criticism from citizen groups and the press. The criticisms tested the capacity of the District’s representatives to maintain productive and civil interactions with the community and, at times, with one another. Although the Lompico surcharge has now been eliminated, other disputes and communication challenges remain. Issues such as the District’s handling of legal matters, management of the Lompico Assessment District and capital projects, and support for the Lompico citizen oversight committee continue to be divisive. In addition, District changes to meeting practices in 2017 have reduced public access to the debate and decision-making process and compromised the community’s understanding of the issues.”

“Better communication on difficult matters, an informed and effective Assessment District oversight committee, and an unwavering commitment to public access, will enable greater transparency and may restore trust and foster better relationships within the SLVWD community.”

Three Findings and Four Recommendations regarding Lompico,
see the complete Grand Jury Report Online:

www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic.pdf



Madrone Tank Detail

F1	The lack of effective communication between the District and the community concerning the administration of the Assessment District has caused public concern regarding the timing and implementation of the Assessment District projects.
F2	The District has not provided adequate authority, guidance, training or support to the Lompico Assessment District Oversight Committee (LADOC) to ensure that the committee can fulfill its assessment district oversight responsibilities, thus reducing transparency and accountability to the public.
F3	Lack of effective District communication practices has reduced public access to the decision-making process and contributed to acrimony and on-going relationship challenges with the community, causing stress on elected officials and staff, as well as frustration among ratepayers.
R1	LADOC should produce an annual report detailing the status of the Assessment District revenues and expenditures (F1, F2)
R2	The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in-depth information to the public about the timing, funding, and execution of the AD projects. (F1, F3)
R3	The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role (F2, F2)
R4	The Board should ensure that LADOC receives adequate professional, technical and administrative support from the District, as well as the authority to carry out its oversight responsibilities (F2)
R5	The District should provide formal training for all LADOC citizen committee members in governance, meeting management and the Brown Act. (F2)



Madrone Tank

PREVIOUS BOARD RESPONSE AUG 22, 2018

F1-2-3 Cites "...confusion about the mechanics of the assessment district and unaligned expectations" and "...commonly held misconceptions about assessment districts generally..." leading to poor communications.

R1 "staff will help jump start the process... by generating a template to help facilitate the first annual report" within 6 months.

R2 "We believe it is important to note that comments and questions about the implementation of AD-16 projects, including priority, timeline, bidding and design considerations etc., are within the purview of the Engineering Committee and ultimately the Board. We encourage members of the public to bring these types of issues to the Engineering Committee rather than LADOC."

R3 within 6 months we will revise the LADOC Charter to replace its current Charter. A draft will be presented to LADOC for its review and comment and to the Board for approval.

R4 We "believe the district has professional expertise up to the task of locating appropriate resources..." Within 6 months, we will make governance, meeting management, and Brown Act training available to all members of the Board and the District's public committee members. Within a year, we will evaluate and select a means of making such training available on a recurring or ongoing basis. For example, staff may consider creating tailored training materials for in-house use and reproduction versus hiring consultants and/or procuring online subscriptions, etc.

R6 "training on key topics" We believe the District has professional expertise up to the task of locating or adapting existing training, or creating new materials as necessary.

Committee comment: While an Ad Hoc committee of two board members was created June 27, 2018 for the above, no actions were taken beyond writing the initial response to the Grand Jury.

Excerpts from Grand Jury report. Footnote [#] references are found in the Grand Jury report.
LCWD-SLVWD Merger

Financial problems, an aging infrastructure, and the threat of state intervention obliged the Lompico County Water District (LCWD) to look to SLVWD for help in 2013. After two years of complex negotiations, SLVWD agreed to annex LCWD if Lompico ratepayers would pass a bond issue to fund infrastructure improvements, and agree to pay a surcharge to cover extra costs related to integrating Lompico operations into SLVWD. The conditions were laid out formally in Resolution 953-A, which all parties refer to as the "merger agreement." Similarly, while the transaction is more correctly termed an annexation, all parties refer to it as the "merger."

A bond issue to provide SLVWD with immediate funding for the Lompico infrastructure projects failed by a narrow margin in 2015. The parties then agreed to the formation of an assessment district as a "similar revenue instrument" which would collect the required funds over a 10-year period. In addition, the parties retained the requirement that SLVWD would create a "Lompico oversight committee." [3] The assessment district passed in a new ballot measure in March 2016, clearing the way for the merger on June 1, 2016.

Another condition of the merger, the 10-year Assessment District, provided \$2.75 million to fund a set of capital improvement projects specified in the accompanying Engineer's Report.[12] It also provided for the collection of an additional \$183,000 for interest payments on anticipated loans taken against future Assessment District collections. The Engineer's Report lists the Lompico capital improvement projects and the estimated cost of each project. It contains few other details about the projects or their implementation.

Since the merger, District representatives and members of the public have raised financial issues not addressed in either the merger agreement or the Engineer's Report. These concerns include questions about what adjustments are possible under the Assessment District (AD) if some projects come in substantially over or under budget, or if the District obtains grants to fund any of the listed projects. [13] [14] Other questions have focused on the disposition of the funds collected over the years for loan interest if no loans are obtained.[15] Still other financial concerns are centered on what would happen

with the designated AD funds if a listed project is later determined to be unnecessary.[16]

The construction timeline has been another area of concern. Public discussions and presentations before the merger had laid out the District's plans to start the Lompico projects shortly after the merger, with funding coming from loans taken out against the AD.[17] [18] After the merger however, the District staff investigated loan funding and reported back that it found fewer acceptable loan opportunities than it had anticipated. Instead, the District opted for pay-as-you-go construction funding for most years, with a possible bridge loan in years four through seven. [19] [20]

Lompico ratepayers have expressed their concerns that the lower priority ranking of the Assessment District projects might lead to delays and higher construction costs, with a possible consequence that some of the AD projects might not be done.

SLVWD updated its policy manual to add the new oversight committee.[23] It then solicited applicants.[24] The policy manual described the committee's role in broad terms: The Committee shall be responsible to review matters of stewardship, design, construction, replacement, and repair of the District facilities and property directly related to Assessment District 2016-1, the Lompico Service Area.[25]

LADOC's opening meeting was August 23, 2016. At its second meeting, held on October 6, 2016, the committee decided to pursue several open questions and issues that appeared to fall under its purview. Less than two weeks later, at the October 16, 2016 Board of Directors meeting, the Board debated the reduction of LADOC's duties,[26] by changing the description of its role to one which it said more closely

resembled the wording of the merger agreement.[27] At the next Board meeting, the SLVWD policy manual was amended to read: The Committee shall be responsible to review matters of revenue and expenses directly related to Assessment District 2016-1 projects.[28] [29] District representatives refer to this one sentence description of the responsibilities of LADOC as the LADOC "charter." [30] The responsibilities of LADOC continue to be the subject of discussion and disagreement. [31]

INVESTIGATION

Assessment District 2016-1

In its investigation of the Assessment District (AD), the Grand Jury found notable differences in understanding among District representatives regarding the construction strategy for the AD's projects, including District plans in the event of project delays, cost differences, or possible changes in projects undertaken.

While the District recognizes that AD funds may be used only for the benefit of Lompico, understandings differ among decision makers on what flexibility exists under the AD as written. Varying interpretations of the Assessment District terms have, in several cases, led to conflicting assertions made to the Grand Jury or to the public, about:

- the process for changing or removing projects from the Engineer's Report list[36]
- the possibility of reducing Assessment District collections in later years[37]
- ending the Assessment District early[38] [39] [40]
- whether the AD is collecting interest on a future loan[41]
- whether obtaining a loan against the AD is required[42]
- using the \$183,000 collected for loan interest for other AD expenses[43]
- returning unused funds to the ratepayers[44] [45]
- postponing the completion of Assessment District capital projects beyond ten years[46]

The Grand Jury has found that, nearly two years after the merger, District representatives still communicate differing views of the AD and its projects. The varying interpretations have caused public concern, and warrant serious and sustained discussion.

The District-wide Capital Improvement Program introduced in November 2017 has presented another communication challenge. The District used a priority rating system to rank each capital project, which resulted in a timetable for the execution of each project on the list. The CIP assumes, however, that there are no differences between Lompico and non-Lompico projects except for the funding source; that is, that the projects for which Lompico ratepayers pay an extra assessment have no special status.

In contrast, Lompico ratepayers contend that they gave their vote to accept the Assessment District in exchange for the District's promise to complete the specific projects listed in the Engineer's Report in an expeditious manner. [47]

At minimum, adequate guidance and support for LADOC would include:

- Comprehensive orientation prior to beginning work
- Members handbook of key documents, including items such as a LADOC charter (description of duties), the Engineer's Report, relevant resolutions,[75] [76] [77] [78] relevant District policies and procedures, project descriptions, budgets and schedules, financial reports, minutes of prior meetings, guides to Brown Act and parliamentary procedures
- Regular meeting schedule, at least quarterly

Expected duties of the oversight committee would include:

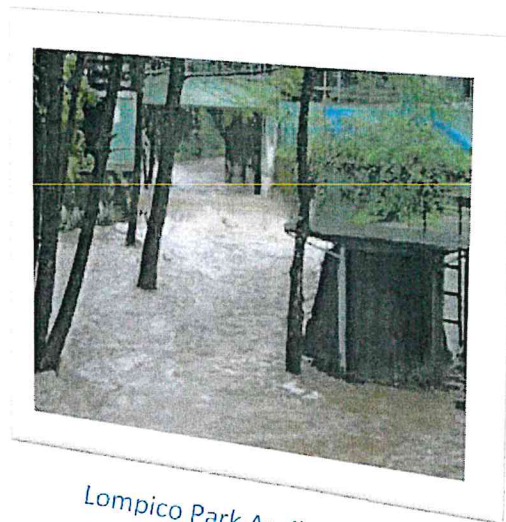
- Tracking expenditures of assessment proceeds back to the capital improvement plan
- Actively reviewing and reporting on the proper expenditure of assessment money for the Lompico construction and replacement projects listed in the Engineer's Report
- Maintaining a committee webpage with (1) detailed information about the progress of each project, (2) committee minutes, and (3) materials it has received
- Preparing and publishing an annual report for ratepayers

Expected duties of the District would include:

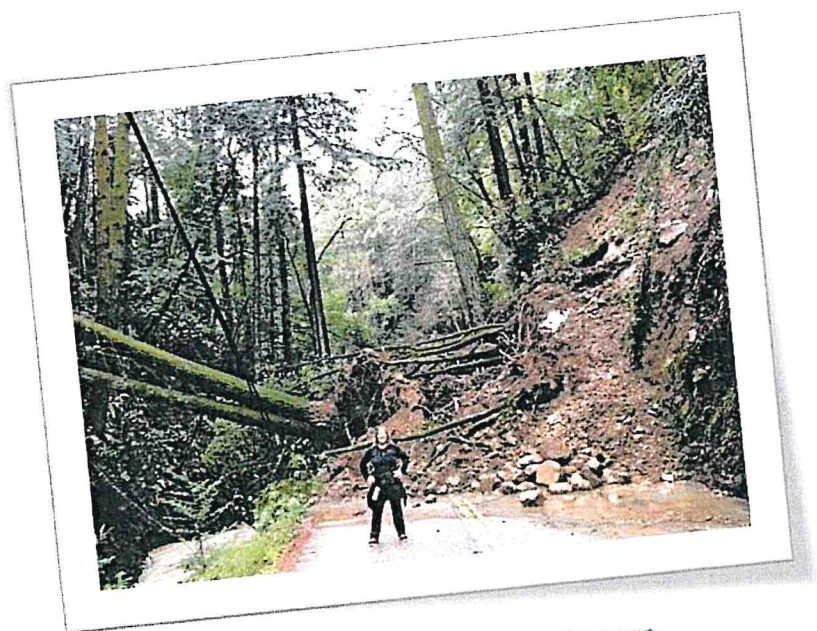
- Providing timely, comprehensive data to the oversight committee, including financial reports that display original budget, current budget, actual expenditures, budget balance, and approved commitments to projects to date across all fiscal years
- Providing technical and administrative assistance

LADOC meeting notes and internal emails from

April 2017, and subsequent Grand Jury interviews, confirm that LADOC sought more support from the Board and staff, but the District did not have the resolve to provide effective support. [81] [82] [83]



Lompico Park April 2006



2017 Lompico Road Storm Damage

TIMELINE REFERENCES AND RESOURCES

***Links listed valid as of Dec 2019 due to SLVWD updating website

1964 June 7	“\$1.5 Million Water Bond Issue Before Lompico’s 70 Voters” Santa Cruz Sentinel; Library clipping file: Lompico ; Viewed on microfiche, California Room. Also may be found by title on https://cdnc.ucr.edu UCR Center for Bibliographical Studies and Research, California Digital Newspaper Collection.
2010 May	“Up a Creek without a Financial Paddle: The Lompico County Water District”, Grand Jury Report 2009-10. http://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2010_final/Up_the_Creek.pdf
2010 July	Beginning of merger discussion between districts: SLVWD District Manager Jim Mueller; BOD consists of Jim Rapoza, Terry Vierra; Lompico County Water District board; Lois Henry, Bill Smallman, Rick Harrington, Chris Kilgus, and Rob Hansel.
2010 July 8	“Lompico Summary of Costs”, SLVWD announcement. “On July 8, 2010 Lompico County Water District held a meeting with representatives from the San Lorenzo Valley Water District to discuss and provide information relative to potential merger options for Lompico County Water District at the Zayante Fire Station.” https://sanlorenzocawater.pt7.civic-
2010 July 15	“Lompico Water considers merger with SLV”, Press Banner. “Jim Mueller, San Lorenzo Valley Water District’s general manager, presented his district’s evaluation of Lompico, including what a merger would cost customers.” http://www.goldenstatenewspapers.com/press_banner/news/lompico-water-considers-merger-with-slv/article_433d800b-7aa1-561f-bf80-fa6947c3abf2.html
2011 July 13	“Cash strapped Lompico to consider increases to water rates”, Santa Cruz Sentinel. “Meanwhile, talks are continuing with the larger San Lorenzo Valley Water District, which serves 7,300 connections. Lompico, which has approximately 500 connections, is seeking members of the community to sit on a citizen’s advisory committee to research and prepare information related to the potential merger, with those members chosen at next week’s meeting. https://www.santacruzsentinel.com/2011/07/13/cash-strapped-lompico-to-consider-increases-to-water-rates/
2012 April 20	“SLV Water to assist Lompico”, SLV news slvnews.net “The San Lorenzo Valley Water District Board voted 5-0 to assist the Lompico County Water District by providing technical and contract management assistance for a pair of studies that will help determine the costs to replace tanks and install a connection between the two systems”

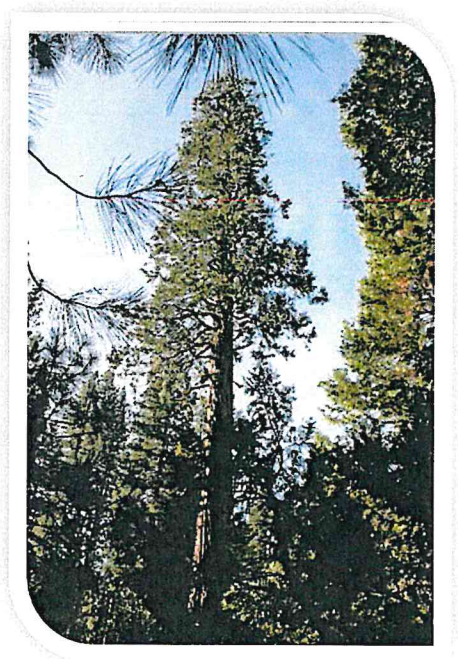
2012, June 28	<p>“Protecting Our Special Districts – is there any oversight?” Grand Jury 2011-12 final report. “Using the Lompico County Water District’s (LCWD) troubled history as a backdrop, the Grand Jury explored the boundaries and scope of oversight for independent special districts in Santa Cruz County.”</p> <p>http://www.co.santa-cruz.ca.us/Portals/0/County/CAO/press%20releases/06022016Lompico.pdf</p> <p>and 2011-12 continuity report follow-up “ LAFCO states that it lacks the funding and personnel to exercise the more “proactive” oversight, even for problem districts”</p> <p>https://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2012_final/Protecting_Our_Special_Districts.pdf</p>
2012 Aug 8	<p>“For tiny Lompico County Water District, a huge retirement bill”, Santa Cruz Sentinel. “The 494-hookup district has navigated years of rocky waters and criticism of sky-high water bills. Its former district manager was charged with falsifying water reports, and since his firing the district has operated with a secretary and three technicians, one part-time. Its annual payroll is a threadbare \$130,000.”</p> <p>https://www.santacruzsentinel.com/2012/08/08/for-tiny-lompico-county-water-district-a-huge-retirement-bill/</p>
2013 July 25	<p>“Potential Consolidation of Lompico and San Lorenzo Valley water districts”. Letter of Recommendation to Board of Supervisors from Health Services, Santa Cruz County. “Operation of the District has been subject to many challenges, including: inadequate water supply, lack of any potential new water sources, aging infrastructure, leaking water tanks, inadequate treatment facilities, management issues, and disagreements among the community about how best to govern. Lompico has the highest water rates in the County, which has posed a challenge to the many low and moderate income residents of the community.”</p> <p>http://sccounty01.co.santa-cruz.ca.us/bds/Govstream2/ASP/Display/SCCB_AgendaDisplayWeb.asp?MeetingID=599</p>
2013 Sept 23	<p>Water board President of the Year, California Special Districts Association, awarded to Lois Henry, Lompico County Water District: County Press Release</p> <p>https://patch.com/california/scottsvally/lompico-water-board-president-wins-state-honor</p>
2013 Dec 4	<p>Public Meeting at Zayante Fire Station, Presentation of Merger Options SLVWD-LCWD</p> <p>http://www.santacruzlafco.org/wp-content/uploads/2015/09/Lompico-Merger-Options.pdf</p>
2014- 2016	<p>Santa Cruz Local Agency Formation Commission (LAFCo) containing reports on Lompico County Water District. https://www.santacruzlafco.org/reports/</p> <p>Feb 2014 presentation on draft merger options:</p> <p>https://www.santacruzlafco.org/wp-content/uploads/2015/09/Lompico-Merger-Options-May-22-</p>
2014 Jan 30	<p>“California drought: communities at risk of running dry”, San Francisco Chronicle. State Department of Public Health lists Lompico County Water District among 17 small communities throughout the State likely to run out of water within 100 days; requirements to cut water use by 30% during the drought. https://www.sfgate.com/news/article/California-drought-communities-at-risk-of-5184906.php</p>

2014 Feb 4	<p>“What happens when a town runs out of water?” Newsweek. “For now, Lompico has enough water to limp by. But [LCWD Chair Lois] Henry says one of the town’s three wells has recently been cutting out, reducing even further the approximately 35 gallons per minute the district is able to pump to its 494 water hookups. The water supply is so precarious that, Henry says, Lompico is one water main break or major fire away from disastrously low levels.”</p> <p>https://www.newsweek.com/what-happens-when-town-runs-out-water-227929</p>
2014 Feb 14	<p>SLVWD-Lompico Intertie Agreement. Board of Directors agenda packet Feb 20, 2014.</p> <p>https://sanlorenzocawater.pt7.civic-cms.com/sites/sanlorenzocawater/files/agendas/220.pdf</p>
2014 April 18	<p>“Bad week as Lompico loses two of its three water wells to motor damage” KION news.</p> <p>“Not only is Lompico in a phase three rationing stage-- which means no water use between specified hours and no outdoor irrigation-- but with two out of their three wells went down.. ,it means we have a lot of work to do’ ”</p> <p>https://kion546.com/news/2014/04/19/bad-week-as-lompico-loses-two-of-its-three-water-wells-to-</p>
2014 May 4	<p>“Lompico emergency pipeline completed fears eased “, Santa Cruz Sentinel.</p> <p>http://www.santacruzsentinel.com/general-news/20140504/lompico-emergency-pipeline-completed-fears-eased</p>
2015 Feb	<p>Measure N: Bond Issue, Parcel Tax and Appropriations Limit Increase, Santa Cruz Community Facilities District No. 2</p> <p>https://ballotpedia.org/Santa_Cruz_County_Community_Facilities_District_No._2_(Lompico_Water)_Bond_Issue,_Parcel_Tax_and_Appropriations_Limit_Increase,_Measure_N_(February_2015)</p>
2015 Feb 27	<p>“Lompico water bond fails by one vote”, Santa Cruz Sentinel.</p> <p>“Of the 516 votes, 343 backed the measure — 66.47 percent — and 173 voted against it — 33.53 percent.” Total voter turnout was 69%, “which is a good turnout when it comes to elections but what happened to the other 31 percent of the people?” - Gail Pellerin, County Clerk, on why every vote counts. https://www.santacruzsentinel.com/2015/02/27/lompico-water-bond-fails-by-one-vote/</p>
2015 Aug 20	<p>SLVWD board memo to approve Lompico Assessment District and recommitting to merger. Board agenda packet. https://sanlorenzocawater.pt7.civic-</p>
2015 Aug 24	<p>Commentary on SLVWD-Lompico merger, Fifth District Supervisor Bruce McPherson on change to Assessment District for funding mechanism</p> <p>http://supervisorbrucemcpherson.org/san-lorenzo-valley-water-district-to-merge-with-the-lompico-water-district/</p>
2015 Nov 25	<p>County Board of Supervisors approve Lompico Assessment District</p> <p>With letter of recommendation from County Health Services, after failure of bond vote and granting of one year extension by LAFCo: “LCWD now proposes to form an assessment district within its boundaries, in order to finance the infrastructure upgrades required to complete the annexation to SLVWD. This financing method has broader support in the community than the CFD had, and is expected to be approved by Lompico property owners.”</p> <p>http://sccch.com/Portals/6/Env_Health/water_resources/WAC/WAC%20Meeting%202015%2012%209/J5.pdf</p>
2016 Jan 16	<p>The Board of Directors of the Lompico County Water District, Felton California accepts Preliminary Engineer's Report and Assessment. Link to Engineers Report:</p> <p>https://www.slvwd.com/sites/g/files/vyh1f1176/f/uploads/engineersreport3-22-16.pdf</p>

2016 Feb 15	Link to Measure N Voters Pamphlet-includes Pros and Cons of Merger https://www.votescount.com/Portals/16/feb15/mean.pdf
2016 March 16	Assessment District mail-in vote deadline
2016 March 17	“Assessment District vote count delayed”, Santa Cruz Sentinel. https://www.santacruzsentinel.com/2016/03/17/lompico-water-vote-count-stalled-until-may-4/
2016 May 5	“Lompico votes for merger with San Lorenzo Valley Water District” Santa Cruz Sentinel. “Dealing with increasing stringent state regulations was a challenge for Lompico, limited in revenue with 500 customers compared to 8,800 in the San Lorenzo Valley Water District.” “This is terrific, a tremendous ending to a three-year process,” said county Supervisor Bruce McPherson.” https://www.santacruzsentinel.com/2016/05/05/lompico-votes-for-merger-with-san-lorenzo-valley-water-district/
2016 June 1	“Lompico merger with San Lorenzo Valley Water District is complete”, Santa Cruz Sentinel. The Assessment District was “ <u>approved</u> by voters 287-74 on May 4...Lompico residents with one hookup will pay \$5,786 over 10 years, about \$48 per month, paying in property tax bills mailed twice a year.” “Applications are being sought for the five-member Lompico Oversight Committee.” https://www.santacruzsentinel.com/2016/06/01/lompico-merger-with-san-lorenzo-
2016 June 2	“Merger Official after Assessment District vote”, Santa Cruz County Press Release. “In May, 79.5 percent of District customers voted in favor of a merger.” http://www.co.santa-cruz.ca.us/Portals/0/County/CAO/press%20releases/06022016Lompico.pdf
2017 Mar 11	“SLV water should drop unfair Lompico surcharge”, Press Banner Commentary by B. Hollaway. https://www.ttownmedia.com/press_banner/slv-water-should-drop-%20unfair-lompico-
2017 May 11	District Manager Brian Lee informs LADOC he will no longer attend meetings, and says all further questions must be in writing to the board of directors. LADOC drafts first list of questions, included a request for a meeting with the Finance Manager to work together to design a monthly Finance Report and a quarterly meeting with Rick Rogers, the Director of Operations to obtain updates on Lompico Projects.
2017 Sept 7	“San Lorenzo Valley residents to pay most for water after rate increase”, Santa Cruz Sentinel. “According to water district staff, the increase is necessary to fund long-overdue replacement and repair of pipes, pumps and tanks throughout the widespread rural region. The district estimates the work to cost \$30 million over the next 10 years.” https://www.santacruzsentinel.com/2017/09/27/san-lorenzo-valley-residents-to-pay-most-for-water-after-rate-increase/
2017 Oct	LADOC chair memo to the Board of Directors: “The committee has been meeting for fifteen months and has not yet been provided with a report that would assist us in this task [review of expenses].”

2017 Oct 19	BOD meeting. District Manager and director Margaret Bruce propose to either eliminate the Lompico Assessment District Oversight Committee (LADOC) or reduce it to meeting “no more than once a year”.
2017 Nov	The first Lompico Assessment District Finance Report was delivered to the LADOC at the 11/15/2017 meeting and presented by Stephanie Hill the SLVWD Finance Director. The Board president Chuck Baughman was also in attendance to address LADOC questions and concerns.
2018 Jan	First financial reports received by LADOC at a meeting: included water meter change outs completed in June 2016, and a temporary SCADA (control system) installed in August of 2016.
2015, Feb 18	“Measured Hope”, Good Times “To bring the district back to good standing and make all necessary repairs to bring the water district’s equipment up to state requirements, the Santa Cruz County Board of Supervisors created a special all-mail ballot election to vote on a \$3.2 million bond measure, Measure N. The last day to vote is Tuesday, Feb. 24.” http://goodtimes.sc/santa-cruz-news/measured-hope/
2018 May 31	“Encouraging the Flow of Information to the Public”, Santa Cruz County Grand Jury report http://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic.pdf
2018 May 31	“San Lorenzo Valley Water District challenged by grand jury findings”, Santa Cruz Sentinel. “The San Lorenzo Valley Water District since 2016 has struggled to address divisive issues, management of Lompico Assessment District capital projects and support for the Lompico Citizen Oversight Committee, the Santa Cruz County civil grand jury reported Thursday.” https://www.santacruzsentinel.com/2018/05/31/san-lorenzo-valley-water-district-challenged-by-grand-jury-findings/
2018 June 27	Special meeting: SLVWD BOD agenda item 3a (pgs. 4-43) Presentation of Grand Jury report to the board and formation of an Ad Hoc committee of directors Baughman and Hayes, to draft a board response to the Grand Jury; Ad Hoc amended to fulfill changes proposed. https://sanlorenzocawater.pt7.civic-cms.com/sites/sanlorenzocawater/files/agendas/specbodagenda_6.27.18_with_closed_session.pdf
2018 Aug 22	SLVWD board grand jury response. The board “agreed” with all findings and responded to all recommendations with “has not been implemented but will be implemented in the future”. http://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic_BoD_Response.pdf
2018 Sept 20	BOD regular meeting, agenda item 13.1 SWRCB Permit Amendment [adding Lompico and Manana Woods to SLVWD system] and Supplemental Engineering Report on conditions in Lompico re: redwood tank replacements, water testing, minimum flow requirements of intertie. https://sanlorenzocawater.pt7.civic-
2018 Oct 25	“Familiar face to lead SLV”, Press Banner ; on appointment of Rick Rogers as District Manager, after serving as interim manager since Brian Lee resigned in August. https://www.ttownmedia.com/press_banner/news/a-familiar-face-to-lead-%20slvwd/article_1259c7e6-d87d-11e8-b959-6b5557a6560d.html

<p>2018 Nov 29</p>	<p>“Fultz, Henry, Swan elected to SLVWD BoD”, Press Banner. “[Lois] Henry, long-time resident of Lompico, ”...”served eight years on the board of directors of the Lompico Water District from 2008 to 2016 through the merger with SLVWD. https://www.ttownmedia.com/press_banner/news/a-familiar-face-to-lead-</p>
<p>2019 March 21</p>	<p>LADOC new charter detailing duties of the committee and district support was written by the committee in a series of workshops; approved and adopted by the Board on March 21. BOD agenda 3.21.19, New Business, item 5B (pages 118-125). https://www.slvwd.com/sites/g/files/vyhlf1176/f/agendas/bod_meeting_agenda_3.21.19_with_backup.pdf</p>
<p>2019 April- July</p>	<p>LADOC workshops on preparation of first Annual Report. Approved by the board on February 20, 2020 https://sanlorenzocawater.pt7.civics.com/sites/sanlorenzocawater/files/agendas/bod_agenda_2.20.20_with_backup_0.pdf</p>



Redwoods



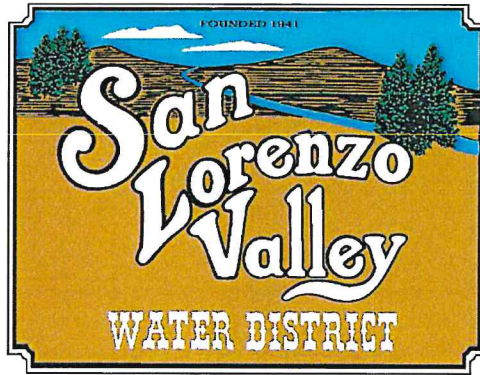
Used valve from PRV station



Memcor treatment plant Valve detail

Enclosure B

COMMUNITY MEETING



SLVWD and the Lompico Assessment District Oversight
Committee (LADOC)

invites the public to a

Charter Writing Workshop for LADOC

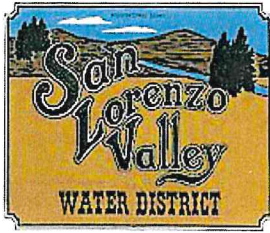
Monday, January 28, 2019

5:30 pm

ZAYANTE FIRE STATION

7700 E. Zayante Rd., Felton, CA

Contact District Secretary with questions hhossack@slvwd.com



NOTICE OF LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the LADOC to be held Tuesday, February 26, 2019 at 5:30 pm at the Operations Building, 13057 Highway 9, Boulder Creek, California.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Committee can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agendized items.
 - A. REVIEW DRAFT COPY OF UPDATED LADOC CHARTER
Discussion and possible action by the Committee regarding the draft LADOC charter.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agendized items.
 - A. LADOC MISSION STATEMENT
Discussion and possible action by the Committee regarding the addition of the Mission Statement to the header of the LADOC meeting agendas.
 - B. QUARTERLY LADOC FINANCIAL REPORT
Discussion by the Committee regarding the 2nd Quarter 2018-19 LADOC financial report presented by S. Hill.
 - C. QUARTERLY LADOC PROJECT UPDATE
Discussion by the Committee regarding the 2nd Quarter 2018-19 project update presented verbally by R. Rogers.
 - D. PLAN FOR PREPARING AND PUBLISHING QUARTERLY, ANNUAL AND INCEPTION TO CURRENT YEAR-TO-DATE LADOC PROJECT AND FINANCIAL REPORTS
Discussion by the Committee for delivery of comprehensive reports to the public and specific time-lines, tasks and target dates.
 - E. GRAND JURY REPORT REQUEST OF ASSISTANCE OF EXPERT IN ASSESSMENT DISTRICT OVERSIGHT

Discussion by the Committee regarding need for assistance and how to involve the District.

F. PUBLIC OUTREACH PROGRAM

Discussion by the Committee regarding outreach to the Lompico community on their requirements/concerns for LADOC.

5. Informational Material:

- o Minutes from 1.28.19 LADOC Workshop meeting
- o Draft of LADOC Charter updated with changes
- o Example of agenda with single line charter in header
- o LADOC 2nd Qtr. 2018-19 Financial Report

6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

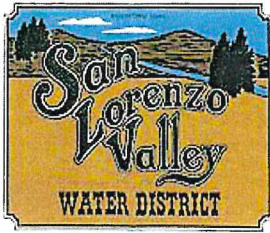
Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on February 21, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Administration Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on February 21, 2019.

Holly B. Hossack, District Secretary,
San Lorenzo Valley Water District



NOTICE OF SPECIAL LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a special meeting of the LADOC to be held Wednesday, April 17, 2019 at 6:00 pm at the District Ops Bldg., 13057 Hwy. 9, Boulder Creek, CA.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. Any Director may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.
3. New Business:
 - A. ANNUAL REPORT WORKSHOP
Discussion by the Committee, staff and public regarding the Annual Report for the LADOC.

Example Bond Oversight Committee Annual Reports
 - o Annual Report from SF SFMTA
 - o Annual Report from Los Gatos fy17-18
 - o Los Gatos 2017
 - o Los Gatos 2016
 - o Los Gatos 2018
 - o Orange Tree HOA

A majority of the San Lorenzo Valley Water District Board of Directors may attend and participate in this Community Meeting.

The San Lorenzo Valley Water District Board of Directors will not take any action.

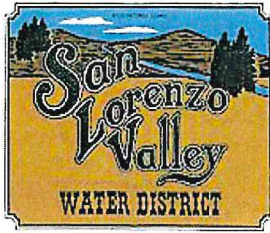
4. Adjournment

Certification of Posting

I hereby certify that on April 10, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 24 hours in advance of the meeting of the special LADOC meeting of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on April 10, 2019.

Holly B. Hossack, District Secretary,
San Lorenzo Valley Water District



NOTICE OF LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the LADOC to be held Tuesday, May 28, 2019 at 5:30 pm at the Operations Building, 13057 Highway 9, Boulder Creek, California.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Committee can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. DRAFT ANNUAL REPORT JUNE 1, 2016 - JUNE 30, 2019
Discuss format, design and content of Financial Report for Annual Reports June 1, 2016 - June 30, 2019.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. QUARTERLY LADOC FINANCIAL REPORT
Discussion by the Committee regarding the 3rd Quarter 2018-19 LADOC financial report presented by S. Hill.
 - B. QUARTERLY LADOC PROJECT UPDATE
Discussion by the Committee regarding the 3rd Quarter 2018-19 project update presented verbally by R. Rogers.
 - C. GRAND JURY RESPONSE
Discussion by the Committee regarding Grand Jury response by G. Nicholls, District Counsel.
5. Informational Material:
 - o LADOC 3rd Qtr. 2018-19 Financial Report
 - o G. Nicholls Recommended Grand Jury Response
 - o Minutes from 2,26,19 Quarterly LADOC Meeting

6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on May 24, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Administration Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on May 24, 2019.

Holly B. Hossack, District Secretary,
San Lorenzo Valley Water District



NOTICE OF SPECIAL LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 Projects.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a special meeting of the Lompico Assessment District Oversight Committee to be held **Tuesday, 7/16 at 6pm, July 16, 2017** at the Boulder Creek Operations Bld. This meeting will be a Workshop to continue work on the Lompico Assessment District Annual Report.

AGENDA

CONVENE MEETING/ROLL

ORAL COMUNICATIONS

NEW BUSINESS

- o Continuing work on Annual Report with discussions and input provided by Committee, Staff and Public.
- o Review version Draft 6.10 Annual Report updated by Deb Loewen
- o Review version Draft 6.28 Annual Report updated by Toni Norton and Mary Ann LoBalbo
- o Review Assessment Ballot and Assessment Notice-Discuss inclusion in Annual Report

INFORMATIONAL MATERIAL (see attached)

- o Draft 6.10.Annual Report_DL
- o Draft 6.28 Annual Report_TN/ML
- o Assessment Ballot
- o Assessment Notice
- o Lompico LADOC Report_Rogers

ADJOURNMENT

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

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the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on July 11, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Lompico Assessment District Oversight Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on July 11, 2019.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District



NOTICE OF LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the LADOC to be held Tuesday, August 27, 2019 at 5:30 pm at the Operations Building, 13057 Highway 9, Boulder Creek, California.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Committee can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. ANNUAL REPORTS - June 1, 2016 - June 30, 2019
Discussion and possible action by the Committee regarding the format, design and content of the Financial Report.
 - B. MINUTES FROM 7.16.19 WORKSHOP MEETING
Discussion and possible action by the Committee regarding the minutes from 7.16.19.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. WELCOME NEW LADOC MEMBER
Welcome Norm Hagen to the Committee.
 - B. WELCOME PACKET AND TRAINING FOR NEW COMMITTEE MEMBERS
Discussion and possible action by the Committee regarding a welcome packet and training for new Committee members.
 - C. QUARTERLY LADOC FINANCIAL REPORT
Discussion by the Committee regarding the 4th Quarter 2018-19 LADOC financial report presented by S. Hill.

- D. QUARTERLY LADOC PROJECT UPDATE
Discussion by the Committee regarding the 4th Quarter 2018-19 project update presented verbally by R. Rogers.
 - E. SUMMARY OF ASSESSEMENT DISTRICT QUARTERLY FINANCE REPORT FOR BOARD OF DIRECTORS MEETING.
Discussion by the Committee regarding adding a summary of the Assessment District Quarterly Report to the BoD meeting for discussion and review.
 - F. REQUEST SUSPENSION OF BROWN ACT REQUIREMENTS FOR ANNUAL REPORT COLLABORATION
Discussion by the Committee regarding request to suspend Brown Act requirements while working on the annual report.
 - G. PUBLIC OUTREACH FOR PHOTOS OF LOMPICO FALLS
Discussion by the Committee regarding outreach to the Lompico community to locate photos of the Lompico Falls during and after rainstorm to include in the Annual Report.
5. Informational Material:
- o Minutes from 7.16.19 LADOC Workshop meeting
 - o Draft of Annual Report
 - o LADOC 4th Qtr. 2018-19 Financial Report
 - o Photos by Mary Ann LoBalbo
 - o Memo from D. Loewen
6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

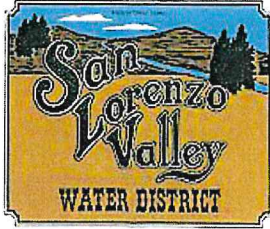
Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on August 23, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Administration Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on August 23, 2019.

Holly B. Hossack, District Secretary,
San Lorenzo Valley Water District



NOTICE OF SPECIAL LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a special meeting of the Lompico Assessment District Oversight Committee to be held **Wednesday, September 25, 5:30 p.m., at the Zayante Fire Station, 7700 E. Zayante Rd., Felton, CA.**

This meeting will be a public Workshop to continue work on the Lompico Assessment District Annual Report.

AGENDA

CONVENE MEETING/ROLL

ORAL COMMUNICATIONS

Old Business

A. Continuing work on Annual Report with discussions and input provided by Committee, Staff and Public

- Review updated version of Draft 8.19 Annual Report
- Review photos provided by Mary Ann LoBalbo for placement in Report

NEW BUSINESS

A. Discuss and schedule meeting to prepare Welcome Package for new LADOC members

B. Review Memo and possibly take action regarding NextDoor Request for Photos

INFORMATIONAL MATERIAL (see attached)

- Draft 8.19 Annual Report
- NextDoor Memo

ADJOURNMENT

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on September 19, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, and at the Zayante Fire Station, 7700 E. Zayante Rd., Felton, California, said time being at least 72 hours in advance of the meeting of the Lompico Assessment District Oversight Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on September 19, 2019.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District



NOTICE OF SPECIAL MEETING OF THE LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a special meeting of the Lompico Assessment District Oversight Committee (LADOC) to be held **Wednesday, October 16, 2019 5:30 p.m. at SLVWD, 13057 Highway 9, Boulder Creek, CA 95006**. This meeting will be a public Workshop to continue work on the Lompico Assessment District Annual Report.

AGENDA

CONVENE MEETING/ROLL

ORAL COMUNICATIONS

OLD BUSINESS

- o Discuss result of public outreach for photos
- o Continuing work on Annual Report with discussions and input provided by Committee, staff and public

NEW BUSINESS

- o Review, Discuss and possibly take action regarding proposed memo to Staff regarding Welcome Packet
- o Review updated version Draft 9.25.19 Annual Report
- o Review photos provided by Mary Ann LoBalbo, Debbie Loewen and Toni Norton for placement in Report

INFORMATIONAL MATERIAL (see attached)

- o Draft 9.25.19 Annual Report
- o LADOC Minutes 092519 Annual Report Workshop
- o Draft Memo to Rick Rogers re LADOC Welcome Packet

ADJOURNMENT

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on October 14, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 24 hours in advance of the meeting of the Special Lompico Assessment District Oversight Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on October 14, 2019.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District



NOTICE OF LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the LADOC to be held Tuesday, December 10, 2019 at 5:30 pm at the Operations Building, 13057 Highway 9, Boulder Creek, California.

AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Committee can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. PUBLIC OUTREACH FOR PHOTOS
Discussion by the Committee regarding the public outreach for photos.
 - B. ANNUAL REPORT
Discussion and possible action by the Committee regarding the Annual Report.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. QUARTERLY LADOC FINANCIAL REPORT
Discussion by the Committee regarding the 1st Quarter 2019-20 LADOC financial report presented by S. Hill.
 - B. ASSESSMENT DISTRICT UPDATE
Discussion by the Committee regarding the Assessment District Update oral presentation by R. Rogers.
 - C. ANNUAL REPORT PROCESS
Discussion by the Committee regarding the consideration to streamline the Annual Report process.

- D. ASSESSMENT DISTRICT MEMBER WELCOME PACKET
Discussion and possible action by the Committee regarding the proposed memo to staff regarding the Welcome Packet.
 - E. ASSESSMENT DISTRICT ANNUAL REPORT FAQ PAGE
Discussion and possible action by the Committee regarding an AD Annual Report FAQ page.
 - F. SCHEDULE TIME AND PLACE OF THE NEXT ANNUAL REPORT WORKSHOP
Discussion by the Committee regarding the scheduling of the next Annual Report workshop.
5. Informational Material:
- o Quarterly Finance Report from the Finance Manager
 - o Memo regarding Committee consideration to streamline the annual report process
 - o Draft memo to R. Rogers regarding LADOC Welcome Packet
 - o Draft suggested answers from the District Manager to Frequently Asked Questions
6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on December 6, 2019, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Administration Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on December 6, 2019.

Holly B. Hossack, District Secretary,
San Lorenzo Valley Water District



NOTICE OF SPECIAL LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a special meeting of the Lompico Assessment District Oversight Committee to be held **Wednesday, January 8, 2020 5:30 p.m., at the Zayante Fire Station, 7700 E. Zayante Rd., Felton, CA.**

This meeting will be a public Workshop.

AGENDA

Convene Meeting/Roll Call

Oral Communications

This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. Any Committee member may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.

Old Business

Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.

- A. Continuing work on the Assessment District Annual Report with discussions and input provided by the Committee, staff and public.

Informational Material: None

Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

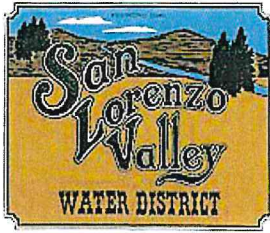
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Certification of Posting

I hereby certify that on January 3, 2020, I posted a copy of the foregoing special agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, and at the Zayante Fire Station, 7700 E. Zayante Rd., Felton, California, said time being at least 24 hours in advance of the meeting of the Lompico Assessment District Oversight Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on January 3, 2020.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District



NOTICE OF SPECIAL LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE WORKSHOP MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a special workshop meeting of the LADOC to be held Tuesday, January 28, 2020 at 5:30 pm at the **Round Table Pizza, 6267 Graham Hill Rd, Felton, CA.**

AGENDA

1. Convene Meeting
Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Committee can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. ANNUAL REPORT - REVIEW OF FINAL DRAFT
Discussion and possible action by the Committee regarding the final draft of the Annual Report.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. REQUEST FOR CHANGE OF DATE FOR 1ST QUARTERLY MEETING OF THE LADOC
Discussion by the Committee regarding a request for change of the date of the 1st quarterly 2020 meeting of LADOC from February 25 to February 26, 2020.
5. Informational Material:
 - o Final Draft of Annual Report
 - o Draft Letter to LAD from SLVWD Dist. Mgr.
6. Adjournment

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on January 24, 2020, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, CA, and at 6267 Graham Hill Rd., Felton, CA, said time being at least 72 hours in advance of the meeting of the LADOC of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on January 24, 2020.

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District



NOTICE OF LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects. To serve as liaison between the Lompico Assessment District Customers and the District.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the LADOC to be held Tuesday, November 24, 2020 at 5:30 pm, via video/teleconference.

<https://global.gotomeeting.com/join/766883773>

You can also dial in using your phone.
(For supported devices, tap a one-touch number below to join instantly.)

United States (Toll Free): 1 866 899 4679
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AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications
This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Committee can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of this committee. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.
3. Old Business: None
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
4. New Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the

public to address the Committee on agendized items.

- A. PRELIMINARY-FUTURE LADOC MEETINGS
Discussion by the Committee regarding future LADOC meetings.
 - B. ANNUAL LADOC FISCAL YEAR 2019-20 REPORT
Discussion by the Committee regarding the Final FY 2019-20 report, including Q3 & Q4 detail presented by S. Hill.
 - C. QUARTERLY LADOC FINANCIAL REPORT – FIRST QUARTER 2020-21
Discussion by the Committee regarding the 1st Quarter 2020-21 LADOC financial report presented by S. Hill.
 - D. ASSESSMENT DISTRICT UPDATE
Discussion by the Committee regarding the Assessment District Update oral presentation by R. Rogers.
 - E. FUTURE LADOC MEETINGS
Discussion by the Committee regarding future LADOC meetings and possible recruitment of members.
5. Informational Material:
6. Adjournment

Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on November 20, 2020, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the LADOC of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on November 20, 2020.

Holly B. Hossack, District Secretary,
San Lorenzo Valley Water District

Enclosure C



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
February 20, 2020**

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.

Notice is hereby given that a meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, February 20, 2020 at 5:30 p.m.**, SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requests that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents are also available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

1. Convene Meeting/Roll Call

2. Additions and Deletions to Closed Session Agenda:

Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).

3. Oral Communications Regarding Items in Closed Session:

This portion of the agenda is reserved for Oral Communications by the public for items which are on the Closed Session portion of the Agenda. Any person may address the Board of Directors at this time, on Closed Session items. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. No actions may be taken by the Board of Directors on any Oral Communications presented; however, the Board of Directors may request that the matter be placed on a future agenda. Please state your name and town/city of residence at the beginning of your statement for the record.

4. Adjournment to Closed Session

At any time during the regular session, the Board may adjourn to Closed Session in compliance with, and as authorized by, California Government Code Section 54956.9 and Brown Act, Government Code Section 54950. Members of the public will be given the opportunity to address any scheduled item prior to adjourning to closed session.

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 078-233-05, located along Scenic Way in Ben Lomond
Agency negotiator: Rick Rogers, District Manager and Gina Nicholls,
District Counsel
Negotiating party: Nick Naccari
Under negotiation: Price and terms of payment
- b. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager
- c. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Section 54956.9(d)(2): One
case

Closed Session Note:

The Brown Act prohibits the disclosure of confidential information acquired in a closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury. It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions. Only the legislative body acting as a body may agree to divulge confidential closed session information; regarding attorney/client privileged communications, the entire body is the holder of the privilege and only a majority vote of the entire body can authorize the waive of the privilege.

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

6. Report of Actions Taken in Closed Session

7. Roll Call (Open Session):

8. Additions and Deletions to Open Session:

Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).

9. Oral Communications:

This portion of the agenda is reserved for Oral Communications by the public for items which are not on the agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda.

Any person may address the Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, communication must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.

Any Director may request that a matter raised during Oral Communication be placed on a future agenda.

10. Unfinished 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. FALL CREEK FISH LADDER CONSTRUCTION
Discussion and possible action by the Board regarding Fall Creek Fish Ladder construction designs, monitoring and final environmental permits.

11. 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. LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE ANNUAL REPORT
Discussion and possible action by the Board regarding the LADOC Annual Report.
- b. BUDGET PROCESS FOR FISCAL YEAR 2020-21 - PRESENTATION
Discussion and possible action by the Board regarding a presentation by the Director of Finance and Business Services on the budget process for FY 20-21.
- c. AWARD OF BID FOR CONSTRUCTION CONTRACT ON THE LOMPICO TANKS REPLACEMENT PROJECT
Discussion and possible action by the Board regarding the award of construction contract for the Lompico Tanks Replacement Project.
- d. AWARD OF BID FOR THE CONSTRUCTION MANAGEMENT CONTRACT FOR THE LOMPICO TANKS REPLACEMENT PROJECT
Discussion and possible action by the Board regarding the award of contract for Construction Management Lompico Tanks Replacement Project.

- e. ENVIRONMENTAL MONITORING AND REPORTING CONSULTING SERVICES FOR THE LOMPICO TANKS PROJECT
Discussion and possible action by the Board related to Environmental Monitoring and Reporting Consulting Services for the Lompico Tank Project.
- f. SURPLUS OF FELTON ACRES TANK
Discussion and possible action by the Board regarding leftover remnants of the Felton Acres redwood tank.
- g. PROPOSED JOINT MEETING BETWEEN SAN LORENZO VALLEY WATER DISTRICT AND SCOTTS VALLEY WATER DISTRICT
Discussion and possible action by the Board regarding a proposed informational meeting with SLVWD & SVWD for mutually beneficial discussion.

12. Consent Agenda:

The Consent Agenda contains items which are considered to be routine in nature and will be adopted by one (1) motion without discussion. Any item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public.

- a. MINUTES FROM BOARD OF DIRECTORS MEETING FEBRUARY 6, 2020

13. District Reports:

No action will be taken and discussion may be limited at the President's discretion. The District encourages that questions be submitted in writing (bod@slvwd.com) on items listed in the District Reports. Questions submitted, if any, will be posted in the next available District Reports, along with a reply.

- DEPARTMENT STATUS REPORTS
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
 - Engineering
 - Finance & Business
 - Legal
 - Operations
- COMMITTEE REPORTS
 - Future Committee Agenda Items
 - Committee Meeting Notes/Minutes
 - Environmental Committee Minutes - 1.15.20
 - Admin Committee Minutes - 1.21.20
 - Engineering Committee Minutes - 1.22.20
 - SMGWA Meeting Summary - 1.23.20
 - B & F Committee Minutes - 1.24.20
 - B & F Committee Minutes - 2.4.20
 - Admin Committee Minutes - 2.5.20

▪ Engineering Committee Minutes - 2.6.20

- DIRECTORS REPORTS
 - Director's Communication
 - Future Board of Directors Meeting Agenda Items

14. Written Communication:

- Email from M. Bray - 2.12.20

15. Informational Material: none

16. Adjournment

Certification of Posting

I hereby certify that on February 14, 2020 I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on February 14, 2020.

Holly Hossack, District Secretary

MEMO

TO: BOARD OF DIRECTORS
FROM: DISTRICT MANAGER
SUBJECT: ANNUAL REVIEW - LADOC ANNUAL REPORT
DATE: FEBRUARY 20, 2020

RECOMMENDATION:

It is recommended that the Board of Director's review this memo regarding the Lompico Assessment District Oversight Committee (LADOC) Annual Report and;

- Receive and Accept the Annual Report from the LADOC Committee Chair
- Post the Report on the LADOC Page of the District's Website
- Hold Questions & Answers Discussion
- Consider Joint Meeting with LADOC and the Board for the Purpose of Further Discussion of the Annual Report

Background

The District established the Lompico Assessment District Oversight Committee, (LADOC), in accordance with LAFCO resolution 953-A.

The purpose of the Committee is to review and oversee income and expenses related to construction projects in the Engineering Report Assessment District AD-16, to serve as liaison for customers residing within the Assessment District boundaries of the former Lompico County Water District, and to inform the Board and public at least annually concerning the revenue and expenditure of assessment district proceeds and on projects approved by the voters of Lompico within AD-16, by issuing a written report.

As stated in the Charter the Committee is committed to applying the highest standards to public outreach, research and reporting, with excellent representation on behalf of AD-16 property owners, exemplifying the District's commitment to transparency and support

One of the duties of the committee is to prepare and present to the Board an annual written report which includes the following information:

- A statement indicating whether the proposed Assessment District expenditures are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report
- A statement indicating whether the prior fiscal year Assessment District expenditures have been reviewed by the Committee and are in compliance with the requirements as set forth in the Assessment District ballot measure

Engineer's Report. Said statement shall include an itemization and summary of the prior fiscal year Assessment District revenues and expenditures. Included in the itemization and summary shall be information on loans related to AD-16, if any, including terms, interest, and balances.

- Any other information the Committee deems is useful for furthering understanding of Assessment District revenue and expenses, projects, funding, history, or purpose.
- The Annual Report shall be based on the District Fiscal Year, and will be completed as soon as possible after June 30 each year, presented using preliminary financial data.

The Committee worked long and hard in preparing this report. Extensive research and long hours are demonstrated with the thoroughness of this report, and the Committee should be commended for their hard work.

Depending on review tonight the Board/LADOC Committee may want to schedule a joint Board meeting for the purpose of further discussion. This could be a public-workshop style discussion with questions & answers.



The Lompico Assessment District Oversight Committee (LADOC), with the approval of the San Lorenzo Valley Water District (SLVWD) Board of Directors (BoD) is pleased to present the LADOC 2019 First Annual Report.

**LOMPICO
ASSESSMENT
DISTRICT
OVERSIGHT
COMMITTEE-
LADOC**

*Toni Norton-
Chair, Mary Ann
LoBalbo-Vice
Chair, Debra
Loewen and
Norm Hagen*



LOMPICO ASSESSMENT DISTRICT ANNUAL REPORT 2019

This report covers the time period from inception June 1, 2016 through June 30, 2019

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This report covers the time period from 6/1/2016 through 6/30/2019.

LADOC will strive to deliver the report each remaining year of the Assessment District term, which is scheduled to continue through June of 2025.

We are committed to meeting the following Annual Report guidelines as specified in the:

LADOC CHARTER:

1. A statement indicating whether the proposed Assessment District expenditures are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report.
2. A statement indicating whether the prior fiscal year Assessment District expenditures have been reviewed by LADOC and are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report. Said statement shall include an itemization and summary of the prior fiscal year Assessment District revenues and expenditures. Included in the itemization and summary shall be information about any loans related to completing the Assessment District projects (i.e., terms, interest and balances.)
3. Any other information LADOC deems as useful for furthering understanding of Assessment District revenue and expenses, projects, funding, history or purpose.
4. The Annual Report shall be based on the District Fiscal Year and will be completed as soon as possible after June 30, each year, using preliminary data.

The Lompico Assessment Oversight Committee, as of publishing date: February 2020

Toni Norton-Chair, Mary Ann LoBalbo-Vice Chair, Debra Loewen and Norm Hagen

Questions regarding the Annual Report may be directed to: LADOC@SLVWD.com

Staff Support: District Manager-Rick Rogers, Finance Manager-Stephanie Hill and District Secretary Holly Hossack.

San Lorenzo Valley Water District, 13080 Highway Nine, Boulder Creek, CA 95006

Board of Directors: Lois Henry-President, Bob Fultz-VP, Lew Farris-Director, Steve Swan-Director, Rick Moran-Director





LADOC CHARTER

LADOC MISSION STATEMENT

To serve as a Liaison between the Lompico Assessment District customers and the District. To strive to advocate for the community and obtain answers to questions and concerns regarding Lompico Assessment District expenditures and projects. Commitment to Excellence. LADOC is committed to applying the highest standards to public outreach, research and reporting, with excellent representation on behalf of AD-16 property owners, exemplifying the District's commitment to transparency and support.

LADOC PURPOSE

The purpose of the Committee is to review and oversee income and expenses related to construction projects in the Assessment District AD-16 Engineer's Report, to serve as liaison for customers residing within the Lompico Assessment District boundaries, and to inform the Board and public at least annually concerning the revenue and expenditure of assessment district proceeds and projects approved by the voters of Lompico on March 6, 2015, by issuing a written report.

COMMITTEE ESTABLISHED

The Board of Directors (the "Board") of San Lorenzo Valley Water District (the "District") established the Lompico Assessment District Oversight Committee (LADOC, or the "Committee"), in accordance with Local Agency Formation Commission (LAFCO) resolution 953-A for annexation, also called the "merger" agreement. On May 4, 2016, Lompico property owners voted in favor of a 10-year assessment district (AD 2016-1) to generate \$2.75 million in revenue to repair, replace and upgrade infrastructure in the Lompico service area, as requirement for joining the District. The resolution was amended from a "bond" to an "assessment" for the revenue source and went into effect on June 1, 2016. The first five members of the Lompico Oversight Committee were seated on July 21, 2016 by Board action, in accordance with provisions of amendment to Section 15 of the Board Procedure Manual (May 19, 2016) and duties as amended on January 28, 2019 in an updated charter. Many of these changes were initiated due to recommendations outlined in the Grand Jury Report "Encouraging the Flow of Information to the Public" published May 31, 2018.

To view entire charter at:

[http://www.slvwd.com/lompico/FINAL%20LADOC%20Charter Approved%20by%20BoD.pdf](http://www.slvwd.com/lompico/FINAL%20LADOC%20Charter%20Approved%20by%20BoD.pdf)

BALANCE SHEET AND PROJECT STATUS

LOMPICO ASSESSMENT DISTRICT BALANCE SHEET					
Running Totals Since Inception	TOTAL	FY1819	FY1718	FY1617	FY1516
ASSESSMENT REVENUE	\$922,013	\$309,126	\$301,377	\$282,580	\$28,930
EXPENSES					
METER PROGRAM	-\$197,888			-\$197,888	
SCADA	-\$19,540			-\$19,540	
SCADA SURVEY	-\$8,257	-\$8,257			
SERVICE LINES	-\$43,982	-\$19,694	-\$24,288		
MAIN PRV	-\$36,820	-\$30,292	-\$6,528		
Lewis Tank	-\$23,242	-\$23,242			
Madrone Tank	-\$23,242	-\$23,242			
Kaski Tank	-\$23,242	-\$23,242			
NBS Administration Services*		-\$4,593	-\$10,920		
	-\$391,725				
CASH BALANCE	\$530,288				
*Company that provides administrative services for Assessment Districts					
LOMPICO ASSESSMENT DISTRICT PROJECTS AND EXPENSES*					
ASSESSMENT DISTRICT PROJECTS	STATUS	Assessment Estimate	BID	Prelim work Total	
Install 3 New Bolted Steel Tanks		\$ 682,500			
Lewis Tank(s) – replace two	Engineering and consulting completed-awaiting RFQ response				\$ 23,242
Madrone Tank(s) – replace two	Engineering and consulting completed				\$ 23,242
Kaski Tank(s) -replace two	Engineering and consulting completed				\$ 23,242
Refurbish Mill Creek WTP	Project cancelled - see details	\$ 105,000			\$ -
Service Line and Meter Replacements		\$ 862,500			
Meter Program	Complete				\$ 197,888
Service Line/Lateral	Ongoing - 38 replaced - see details				\$ 43,982
Distribution System Interconnect	Ongoing - see details	\$ 301,000			\$ -
SCADA System	Temporary- see details	\$ 441,000			\$ 27,797
Remove and Replace Existing PRVs	In progress	\$ 358,000			\$
6 PRV units on water mains	Expenses for consulting work. Awarded Bid for all \$468k Feb			x	\$ 36,820

* Represents all Assessment revenue and expenses since inception of Lompico Assessment District. Please see Assessment District AD-16 Engineer's Report included for additional details regarding estimates

LETTER FROM THE LADOC CHAIR

Dear Residents of the Lompico Assessment District and Customers of SLVWD,

It's been a tough three years, but finally we are on track for meeting our goal to deliver safe, reliable, clean water to the taps of Lompico Assessment District homes.

- Thanks to a grant provided by the State of California, we have an Intertie connected to SLVWD that consistently delivers the safe, clean water we need and deserve. As the District Manager will explain in his report, updates to the Intertie are still required to meet future flow requirements.
- Finally, there are specific plans and timelines in place to address all of the projects listed in the Assessment District Engineer's Report. You'll read the details in the District Manager report
- We have a District Manager that is extremely knowledgeable about the specific water needs of the entire San Lorenzo Valley, including Lompico. He is dedicated to completing the Assessment projects as quickly and efficiently as possible always with an eye to cost savings. DM Rick Rogers is also accessible, responsive and quick in addressing our concerns.
- Your LADOC Committee now has standing quarterly meetings with SLVWD Finance Director, Stephanie Hill and District Manager, Rick Rogers where we are provided with detailed financial reports updating us on the expenditures of the Assessment District funds and status regarding the Assessment Engineering Report projects. Under the direction of the previous District Manager, we were allowed minimal interaction with the SLVWD Finance Department, and were provided minimal financial information.
- We now have a SLVWD Board in place that understands and supports the terms of the Merger Agreement's requirement for an Oversight Committee. They willingly give us access to information, assistance from their staff and support our desire and responsibility to report back to the Lompico Assessment District Community.
- With the full support and approval of the Board, with no restrictions, our committee published both the Lompico Assessment District Oversight Committee (LADOC) Charter and the Assessment District First (ever!) Annual Report.

While I can't say all the recommended steps to support the Lompico Assessment District Oversight Committee (LADOC) listed in last year's May 2018 Grand Jury have been fulfilled, many have and I have confidence that we'll get there soon.

We welcome both the residents living in the Lompico Assessment District and all customers of San Lorenzo Valley Water District to attend our Quarterly Meetings that are held currently at the SLVWD Operations Building. We schedule additional meetings, as needed and try to hold them at the Zayante Fire Station, if the space is available. All meetings are posted on the SLVWD.com website and the public is always welcome.

I am certain you all join in our hope that the projects will be successfully completed, Lompico's Infrastructure will be safe and sound and the LADOC's responsibilities will be fulfilled!

Sincerely,

Toni Norton

Lompico Resident and LADOC Chair



BRIEF HISTORY of LOMPICO COUNTY WATER DISTRICT

Lompico County Water District was formed in 1963 by the community of Lompico Canyon, located within the watershed of San Lorenzo River in the Santa Cruz Mountains. In 1964, the 70 registered voters in Lompico approved a 1.5 million dollar water infrastructure bond. In 1974 the State of California set a moratorium limiting customer hookups to no more than 500, based on a limited water supply. The system was completed in 1978, and the last of the four series of 40-year bonds paid off in 2018.

The district's water sources were from Lompico Creek, a federally protected steelhead trout habitat, and half a dozen wells located in the low-yield Monterey aquifer.

After several earlier attempts, in response to recommendations by State and County agencies, Lompico resumed talks in 2010 with larger neighboring water district SLVWD as to the possibility of a merger. In 2015 Lompico County Water District (LCWD) was named by the State as one of 17 small water systems in danger of running out of water resources during the drought.



Thanks to an emergency grant from the State of California, an intertie was installed connecting LCWD to SLVWD. The emergency intertie has been converted to a full-time water supply for Lompico Canyon residents. Future upgrades will be funded via the Assessment District funds which became available, after a successful annexation and Assessment vote was completed in 2016.

WHAT IS AN ASSESSMENT DISTRICT? *

....and how much do we pay and for how long?

“Assessment districts have been in use in California for the past 150 years. Local agencies, including cities, counties, and special districts, may establish assessment districts for the purposes of financing all or a portion of the cost of certain public improvements and services. Each property within an assessment district is assessed an amount sufficient to cover the proportional cost of the special benefit that it receives from the improvements or services that are paid for by the assessment.”

“The proposed assessment must be supported by a detailed engineer’s report prepared by a registered professional engineer, which would, under Proposition 218 ... include identifying the parcels that will receive a special benefit from the improvements or services to be funded by the assessment, determining the proportionality of the special benefit among the parcels, and making certain the assessment levied upon a parcel is not greater than its proportionate share of the costs of the special benefit received.” *From the California Debt and Investment Advisory Commission, State Treasurer’s Office, www.treasurer.ca.gov/cdiac/

The Assessment amount for each improved parcel having a water meter in Lompico is \$587 a year for ten years, per the Engineer’s Report, calculated at 500 service connections. In addition, the Assessment District allowed the County to add a small fee to collect the revenue on property taxes, initially up to 2% of the annual installment.







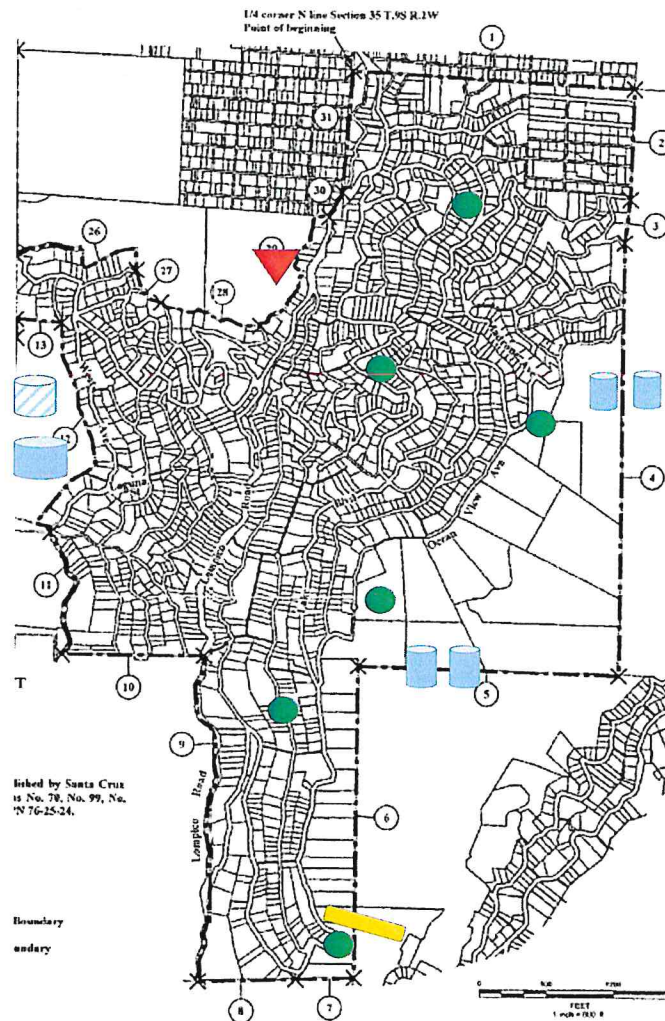
Current Lewis Tank

ENGINEER'S REPORT FOR LOMPICO ASSESSMENT DISTRICT

The Assessment required an Engineer's Report, describing its specific purpose:

Established a fund for construction projects in Lompico Six projects:

Replacement of 6 redwood tanks	\$682,500	3 sites	
Refurbish Mill Creek treatment plant	\$105,000		
Service line and meter replacement	\$862,500	System wide	
Distribution system Interconnection	\$301,000		
SCADA (<i>automated control system</i>)	\$441,000	System wide	
Replace PRVs (<i>pressure reducing valves</i>)	\$358,000	6 sites	
Total Construction	\$2,750,000		
Loan Interest	\$183,734		
Total Assessment	\$2,933, 734		



LOMPICO ASSESSMENT DISTRICT PROJECTS

Lompico Assessment District Projects Overview (Information provided by District Manager Rick Rogers)



Water Storage Tanks

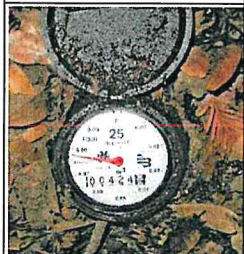
Lompico currently has five redwood tanks in operation, for a total of 340,000 gallons of water in storage. Just prior to the merger a sixth redwood tank (Lewis 2) was taken out of service due to leakage. The assessment district provided funding for replacement of all six tanks. The tank locations are Kaski, Madrone, and Lewis. Capacity of the tanks at each location will be determined by computer modeling of the water system to ensure adequate water storage for fire or disaster. Total capacity for the six tanks will be at least 440,000 gallons of stored water. The redwood tanks will be replaced with steel nut & bolt design.



Mill Creek Water Treatment Plant


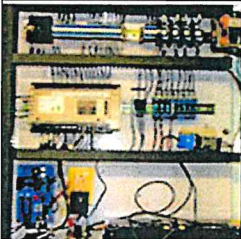
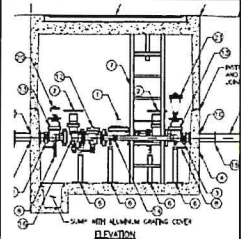
The assessment district provides funding for upgrading and repairs to the Mill Creek Water Treatment plant. The treatment plant is a MEMCOR pressurized, pre-engineered membrane system package water treatment plant. During pre-merger inspections the system was off line due to drought conditions, basically there was no water in Lompico Creek. The system also experienced maintenance and electrical control issues requiring extensive staff time.

Initial pre-merger planning was operating Lompico as a stand-alone water system requiring the use of all Lompico sources of supply. By the time the merger was finalized operations changed to operating Lompico as pressure zone, part of the North System and not utilizing Lompico sources of supply. Under these circumstances the treatment plant will not be needed.



Service Lines and Meters

The assessment district provides funding for replacing all (approximately 500) of Lompico Water meters and service lines. Existing service lines have been failing due to a poor quality Polybutylene material service lines. Polybutylene is a form of plastic resin that was used extensively in the manufacture of water supply piping from 1978 until 1995. We believe it was installed in at least 6 million homes. Due to the low cost of the material and ease of installation, polybutylene piping systems were viewed as "the pipe of the future" and were used as a substitute for traditional copper piping. It is believed that oxidants in the public water supplies, such as chlorine, react with the polybutylene piping and acetyl fittings causing them to scale and flake becoming brittle and resulting in failure. At the time of the merger it was estimated that 68 service lines had been replaced by Lompico Staff. The domestic water meters need to be replaced due to age and ability to retrofit to the District's meter reading software. The District selected the new Badger Meter with "Eye on Water" software that lets you connect to customer's water account to you see how much water you're using and can even alert you to possible leaks on your property. This can be done while you're on vacation using your smart phone.

	<p>Interconnection</p> <p>The assessment district provides for upgrading the existing Lompico/SLVWD Interconnection located at the end of Zayante Drive. During the planning stages of the merger an interconnection was required due to the ongoing lack of water supply in Lompico. The 2014 drought exacerbated already difficult water supply conditions for Lompico. Lompico Water was one of 17 water systems identified in California that could run out of water in 60-120 days. Funding assistance from the Governor’s Office of Emergency Services was requested and approved to fund the construction of an emergency interconnection. The temporary intertie was only able to produce 80 gallons per minute instead of the engineered 150 gallons per minute, at a bare minimum, as funded to keep Lompico in water. The assessment district project provides funding for upgrading the booster pump to 150 GPM and replace existing undersized (2 inch) main line along Zayante Drive supplying water to the booster pump.</p>
	<p>Supervisory Control and Data Acquisition (SCADA)</p> <p>SCADA is a computer system for gathering and analyzing real time data. SCADA systems are used to monitor and control water tank levels, high/low level alarms, start/stop pumps or equipment with remote monitoring. Lompico’s existing SCADA system had reached its life expectancy and was no longer functioning at the time of the merger. Staff was required to run the system by manual operations driving to each individual tank checking water levels several time a day. As part of the merger SLVWD purchased and installed a temporary SCADA system to reduce staff time operating the water system. The assessment district provides funding for a complete comprehensive SCADA system which would integrate into the District’s main SCADA system. To reduce costs district staff have re-evaluated the temporary SCADA system and determined that this system will integrate into the District Main SCADA system and not require replacement. This is a substantial cost savings.</p>
	<p>Pressure Reducing Valve Stations (PRVs)</p> <p>Due to the step topography of the Lompico Canyon water pressure must be regulated to avoid high water pressure damage to mainlines, fire hydrants and customer plumbing. To provide water pressure throughout the Lompico Canyon are eight PRV Stations. The existing stations have reached their life expectancy and are no longer regulating pressure resulting in pressure spikes in excess of 150 PSI. With a change in the water tank replacement locations and increasing storage at key locations, one of the PRV stations will not be required, reducing the number of stations to be replaced to seven. The PRV sites are on Coleman Ave, Van Allen Rd, Edgewood Dr, Visitar St, Lake Blvd and Lakeview Ave.</p>

DISTRICT MANAGER'S REPORT



SAN LORENZO VALLEY WATER DISTRICT
13060 Highway 9 • Boulder Creek, CA 95006-2119
Office (831) 338-2153 • Fax (831) 338-7986
Website: www.slvd.com

January 24, 2020

Lompico Assessment District Customers

After a long, tireless campaign by dedicated Lompicans concerned with water quality and quantity, on May 4, 2016, Lompico property owners voted approval of a 10-year assessment district (AD-2016-1) to generate \$2.75 million in revenue to repair, replace and upgrade infrastructure in Lompico and to consolidate with the San Lorenzo Valley Water District.

On June 1, 2016, the consolidation of Lompico County Water District (LCWD) was finalized and the San Lorenzo Valley Water District took over ownership and operations of the Lompico water district. Shortly after, as required by the assessment, on July 21, 2016, the District's Board of Directors created the Lompico Oversight Committee.

San Lorenzo Valley Water District, working with a group of LCWD Board of Directors and property owners facilitated a list of Capital Projects that the district required for a successful transition. The \$2.75 million project list consisted of the following projects:

- Replacement of all water storage tanks; Lewis, Kaski, and Madrone
- Repair and upgrade to the Mill Creek Surface Water Treatment Plant
- Replacement of all water meters and service lines
- Replacement of all SCADA Controls
- Upgrade of transmission water main to the Lompico Booster (SLV side)
- Replacement of all Pressure Regulating Stations (PRV valves)

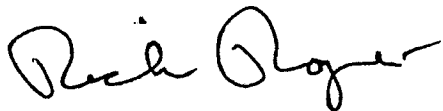
When the list of projects was developed the District was looking to operate the system as "stand-alone" with a separate water supply permit. As time went on circumstances changed and it was determined that we could consolidate Lompico into the San Lorenzo Valley Water District and operate as a pressure zone saving substantial operational costs, reducing the operational surcharge, and eliminating the need to repair and upgrade the Mill Creek Surface Water Treatment Plant.

Before consolidation and the last year of Lompico ownership, the San Lorenzo Valley Water Operational Staff worked very closely with Lompico staff learning operations. It needs to be stated that the Lompico Board of Directors and staff operated the Lompico system with pride and professionalism under circumstances that were not ideal. Field staff worked 7 days a week and Board members were performing as staff.

When SLVWD took over ownership the priorities were water quality and quantity. The District performed an aggressive main line flushing program which involved cleaning mainlines and removing sediment which was causing degraded water quality and not meeting state water quality standards. All Lompico water sources which were producing objectionable water quality were shut down. To ensure maximum water storage and monitoring alarms the District installed a temporary SCADA system within the first six months. Additionally, all water meters were changed out to configure into the District billing system.

The District is moving forward with the construction of projects. The PRV valve station will be completed by February 2020, and water tank replacement projects (6 tanks) is anticipated to begin construction Spring of 2020. After the total construction costs of the Lompico Tanks project are known, and the costs of the projects completed to date, the District and the Lompico Assessment District Oversight Committee will reevaluate total funds remaining and discuss moving forward with the methodology to complete the remaining projects. It is the goal of the District to complete the remaining assessment District projects by the end of the calendar year 2022.

The District has always believed that Lompico is part of the San Lorenzo Valley and belongs to be with the San Lorenzo Valley Water District. You are valued customers of the District and we look forward to providing you with exceptional water quality, quantity, and customer service.



Rick Rogers, District Manager
San Lorenzo Valley Water District

LOMPICO ASSESSMENT DISTRICT FINANCIAL REPORT **BUDGET & EXPENSES**

TRACKING ASSESSMENT FUNDS

Revenue is collected from Lompico property taxes by the County and held in a special account. Assessment funds may not be used for any purpose other than described in the Lompico projects AD-16 in the Engineer's Report.

SOURCE OF REPORT DATA

LADOC meets with the SLVWD Finance Director who presents a Quarterly Finance Report. Included is an itemization of revenue per quarter and to date with an itemization of ongoing expenses per project, including labor and materials. Reports may also include receipts and labor timecards. The LADOC charter allows committee members to request and review all relevant data sources.

Assessment Collection Management is contracted by SLVWD to a consultant, NBS Government Finance Group via their Special Finance District (SFD) Administration service, for tasks not included by the County when collecting the Assessment on property taxes. The cost for this service has been about \$1,150.00 per quarter, charged to the Assessment District.

NBS ADMINISTRATIVE SERVICES

Following Information provided upon request by SLVWD Finance Director: Main Assessment District Administration Services Provided by NBS:

DATA COLLECTION

NBS will gather and review data relevant to the administration of the district. Data will be obtained from various sources, including Water District records, Assessor's parcel maps, and County Assessor information and establish a database for the assessment district.

COST RECOVERY

NBS will identify all costs associated with the administration of the Assessment District and recover those costs through the levy process as outlined in §8682 and §8682.1 of the California Streets and Highways Code. These costs may include, but not be limited to Registrar/Transfer/Paying Agent fees, Arbitrage Rebate calculation fees, bank fees, and expenses of the Water District and its consultants related to the administration of the district.

ANNUAL ASSESSMENT LEVY

NBS will calculate the annual assessment levy for each parcel in the district and submit the amount for each parcel to the County in the format and medium (i.e. tape, diskette) required by the County Auditor-Controller.

RESUBMISSION OF REJECTS

NBS will research the status of any parcels rejected by the County Auditor-Controller, and resubmit corrected data for collection on the County Tax Roll. Any parcels that are not accepted by the County for collection will be invoiced directly, with payment directed to the Water District.

MAINTAIN ASSESSMENT DISTRICT DATA

NBS will annually track all parcel changes to ensure that all changes are documented. Historical parcel change and assessment apportionment data will be maintained by NBS.

ANNUAL REPORT

NBS will provide a comprehensive Annual Report that will show a detailed listing of the amounts submitted to the County or directly billed for collection, details of delinquent assessments, fund analysis, paid off parcels and release of liens, all bond call activity, and assessed valuation information.

DELINQUENCY MONITORING

NBS will provide the Water District with a comprehensive list of delinquencies after each installment becomes due. This report will show delinquency percentage as well as a detailed list of each delinquent parcel.

PREPAYMENT CALCULATION/AMORTIZATION SCHEDULE

NBS will provide assessment prepayment calculations and amortization schedules to interested parties. The requester will pay the cost of this service; however, there will be no charge to the Water District or property owners.

RELEASE OF LIENS

NBS will prepare all documents required to release the liens of parcels that have prepaid the assessment.

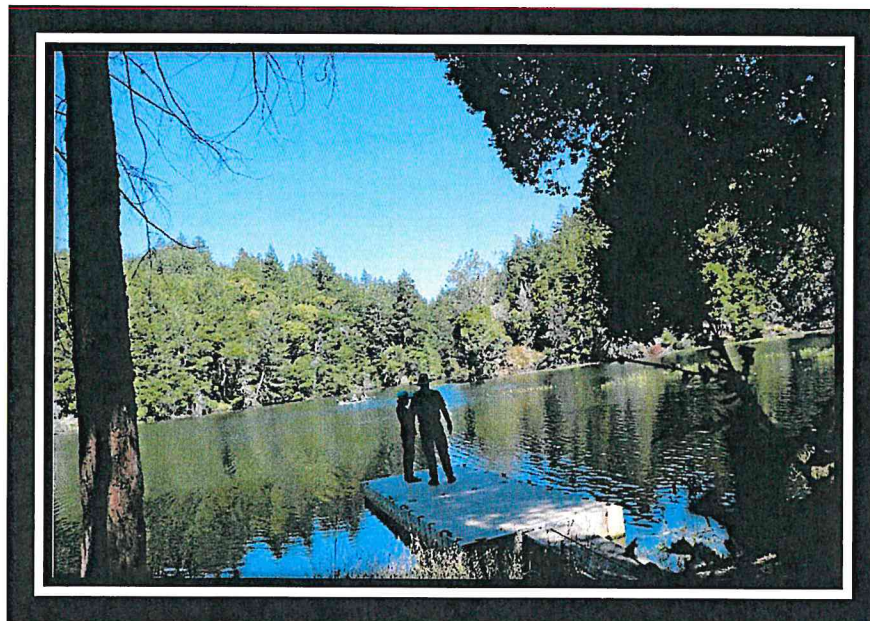


SLVWD Capital Budgets – Lompico Projects

Capital Project Summary						
Fiscal Year 16-17	Planning /Design (8%)	CEQA(2%)	Construction (80%)	Contingency (10%)	2016-17 Total	Overall Project Total
Lompico Service Area			\$ 168,000	\$ 16,800	\$184,800	\$ 184,800
Lompico Service Area Tank Replacement	\$ 75,000				\$ 75,000	\$ 75,000
Lompico SCADA	\$ 2,500		\$ 25,000	\$ 2,750	\$ 30,250	\$ 30,250
Fiscal Year 2016/2017						
Water Enterprise Fund	\$ 3,025,850					
Lompico Assessment District	\$ 354,050					
Sewer Enterprise Fund	\$ 400,000					
Total	\$ 3,779,900					

#	Project	Funding Type	Spent in Prior FY	FY 17/18 Budget	Future FY Projection	Project Cost
20	Lompico Lewis Tank Replacement	Assessment District	\$ -	\$ 25,000	\$ 175,000	\$200,000
21	Lompico PRV Replacements	Assessment District	\$ -	\$ 50,000	\$ 150,000	\$200,000

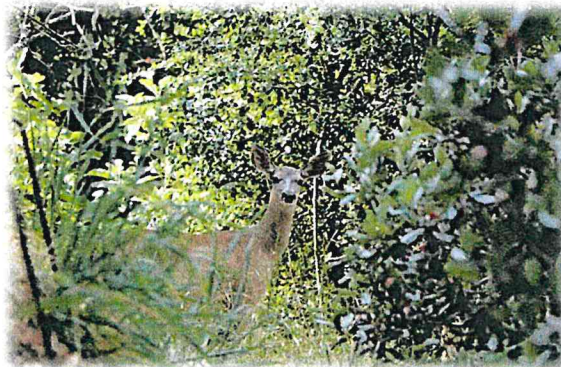
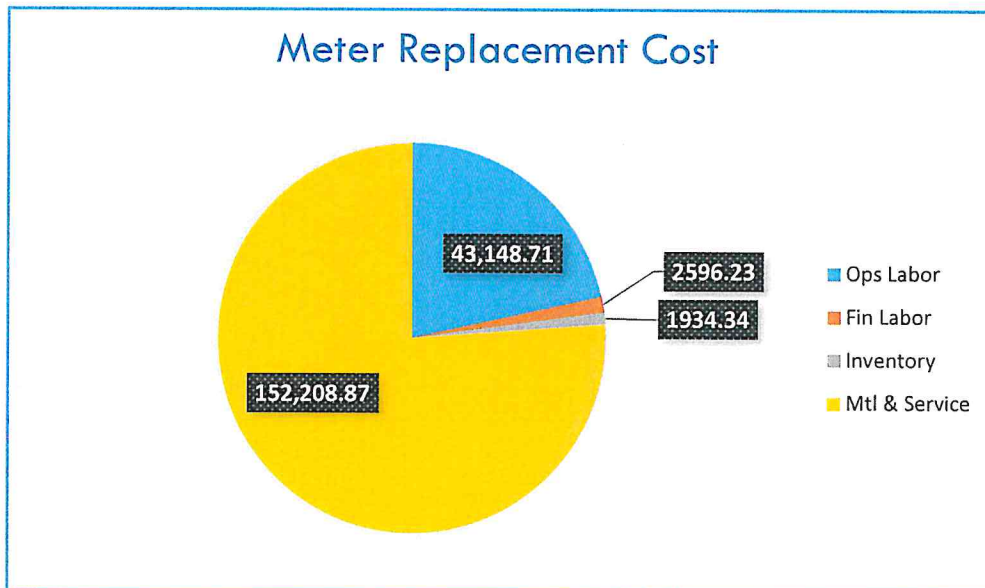
#	Project	Funding Type	Spent in Prior FY	FY 18/19 Budget	Future FY Projection	Total Project Cost
30	Service Line Replacements	Lompico AD	\$25,000	\$150,000	\$489,600	\$664,600
31	PRV's	Lompico AD	\$50,000	\$90,000	\$218,000	\$358,000
32	Interconnection Booster	Lompico AD		\$45,000	\$256,000	\$301,000
33	Lewis Tank	Lompico AD		\$34,000	\$193,334	\$227,334
			\$75,000	\$319,000	\$1,156,934	\$1,550,934



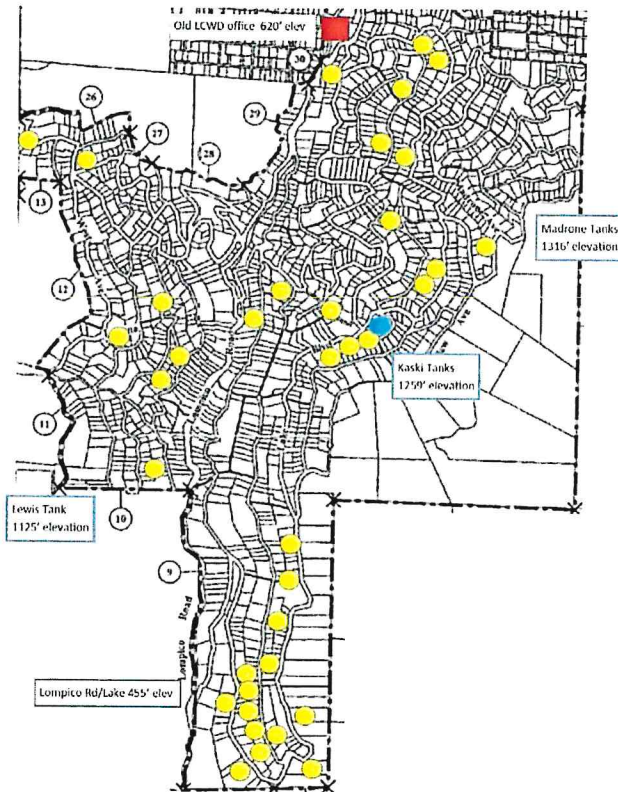
Loch Lomond

LOMPICO METER CHANGEOUT WORK ORDER #129

Labor & Overhead 22%	\$43,744.94	Operations Dept \$41,148.71	Payroll \$ total per 5- pay periods Aug 17 to Oct 26, 2017 Labor \$27,728.24 OH \$13,420.47
		Finance Dept \$2,596.23	80 hrs @ \$23.88 Labor \$1,910.40; OH \$685.83
Materials 78%	\$154,143.21	\$1,934.34	Inventory
		\$152,208.87	Materials and Service: Rent vac truck \$1,843.94 5/8 meter w/lid approx. \$230 ea
TOTAL	197,888.15	Average cost each	Installed at 500 meters is +-\$396.



SERVICE LINE REPLACEMENTS



Original material replaced:

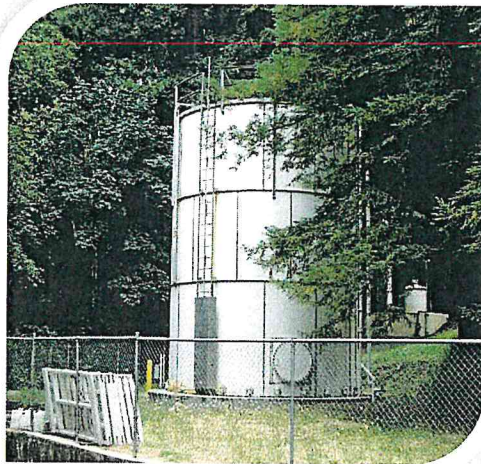
- Blue poly pipe - 36
- Copper pipe - 2

Locations

- West side - 8
- East side - 30
- 38% (14) are in Kaski zone (Visitar/Lake)

Cost:

Range of cost to replace ea. - \$635 to \$1610
Total cost for 38 replacements - \$43,982
=Average cost each \$1157



Clearwater Tank

COMMITTEE ANALYSIS AND RECOMMENDATIONS

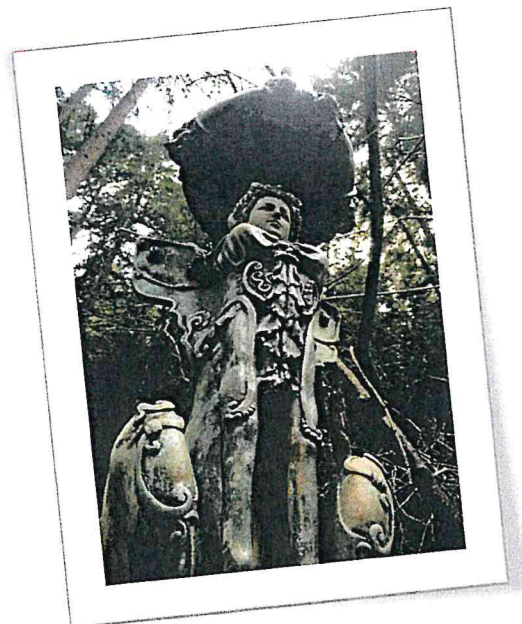
Assessment District expenditures have been reviewed by LADOC and, to the best of our knowledge, are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report. The Annual Report presented includes an itemization and summary of all prior fiscal year Assessment District revenues and expenditures as provided by the district, from June 1, 2016 to June 30, 2019. For the time period of this report, no loans have been taken out for Assessment District projects.

Committee Recommendations:

- Committee and district are in agreement that a third party expert in Assessment Districts is needed, as well as training on assessments and oversight for members, staff and the board.
- That the district move forward on securing a loan, as recommended in the Assessment Engineer's Report, to expedite all projects being completed in a timely manner.
- SLVWD website includes an area for the AD with details on projects and ongoing updates on progress and expenses, per Grand Jury recommendation [district website in process of being redesigned]
- More frequent district website public reports or posts on AD finances, in addition to Annual Report.

Committee Commends:

- Current SLVWD staff and board for their support.
- Thank You to the 2017-18 Grand Jury for their investigation and recommendations, which have been instrumental in defining and supporting LADOC duties.



FREQUENTLY ASKED QUESTIONS

Following are responses from the District Manager (DM) posed by the committee and members of the public.

FAQ

1. What is the process for changing or removing projects from the Engineer's Report list?

Response from District Manager (DM): DM will recommend to SLVWD Board of Directors (BoD) that a change be made to Board Manual indicating SLVWD Staff will meet with the current LADOC for discussion and consideration before any decisions are made to change or update AD projects. *Committee note: answer subject to research findings on Assessment District management.*

2. Is there a possibility of reducing Assessment District collections in later years?

DM: "Doubtful based on current cost expectations"

3. Is there a possibility ending the Assessment District early?

DM: "Doubtful based on current cost expectations"

4. Is the AD is collecting interest on a future loan?

DM: "The Engineering cost estimates for Assessment District funding includes a line item titled SLVWD estimated loan interest. The amount is \$183,734. The District fully intends to take out one or more loans to complete the Assessment Projects and will make use of these funds."

Loan has been obtained as of late 2019

5. Do you anticipate returning any unused funds to the ratepayers?

DM: "Doubtful based on current cost expectations."

6. Do you anticipate postponing the completion of Assessment District capital projects beyond ten years?

DM: "We have every expectation that the Projects will be completed by the end of 2022."

7. Will SLVWD come back to Lompico ratepayers for more money if the original assessment no longer covers the cost to complete projects in the original plan?

DM: "No. There are no plans to ask the AD customers to cover any additional costs. That would require another vote by the Assessment District."

8. Can projects be dropped from the original Engineers report list? What is the process, and what happens to those funds?

DM: "SLVWD will consider all Engineering Report recommendations, but will make adjustments based on current needs and costs. However, all AD revenues will be spent solely for the benefit of the Lompico Service Area." *Committee note: answer subject to research findings on Assessment District management.*

9. If SLVWD does not intend to use the treatment plants, can they be sold and the money used for Assessment District projects, or returned to Lompico ratepayers?:

DM: District Manager recommends that any revenues generated by the sale of the former Lompico property be added to the Assessment District funds.

10. Will the district plan to sell the old growth redwood from replaced tanks?

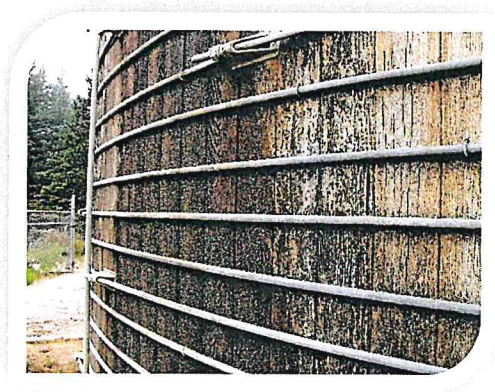
DM: "No. The demolition and salvage value of the existing redwood tanks are part of the construction contract and will be the responsibility of the contractor."

11. Is the metal recycle payback value of removed materials (old meters, fittings, etc) being put back in the Assessment District fund?

DM: District Manager recommends any revenue generated by the sale of the old materials be added to Assessment District funds.

12. Does the present intertie meet flow requirements of the State? (ref BOD agenda 9.20.18 item 13.1(page 229) Permit Change and Report from State Water Resources)

DM: "No, not currently. However, once the Lompico Tanks are replaced, which have an anticipated project completion date by the end of 2020 summer, Lompico will have the combined resource of the intertie, plus the fully utilized, completely updated, steel, non-leaking tanks. The present intertie mainline replacement is scheduled to be replaced summer of 2021."



Lewis Tank, Wood Stave Condition

LOMPICO CITIZEN OVERSIGHT COMMITTEE - A HISTORY

A Lompico Citizens Oversight Committee was an element proposed and approved by SLVWD to be included in LAFCO "merger" Resolution 953-A. The SLVWD board reviewed applications and appointed the first five Lompico members in July of 2016. The first meeting was held at the old LCWD office in August. The original description/purpose of the committee written by SLVWD staff and published in the SLVWD stated "The Committee shall be responsible to review matters of stewardship, design, construction, replacement, and repair of the Assessment District facilities and property". This was revised in 2017 to include only assessment district fund and project oversight, and the name changed to LADOC, for Lompico Assessment District Oversight Committee.

The committee faced challenges of district support throughout 2017. At the October 19, 2017, meeting the District Manager proposed making the following changes to the Board of Directors Policy Manual impacting LADOC: redefine and differentiate LADOC as a "Public Committee" whose only purpose is to deliver and receive information, who therefore will have no need to produce and publish minutes, who will meet once annually at the time and place specified by the Board, the Board will appoint the Chair and Vice Chair of the LADOC. Fortunately, the October 19, 2017 meeting was well attended. Three LADOC members attended the meeting and spoke out against these egregious changes. Many members of public and all three public members of the other SLVWD Committees spoke out against the changes. Only one member of the Board spoke in favor of the changes and she also admitted that she had assisted the District Manager in preparing the recommendation. No action was taken on the proposal.

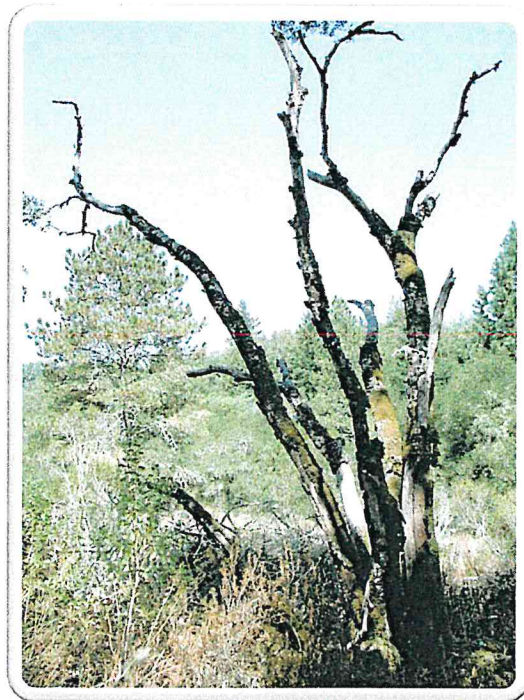
In the meantime, months earlier LADOC had approached and met with members of the Finance Committee to request assistance in developing the Finance Report which had been promised by the District Manager since the very first meeting. The Chair of LADOC met with the Chair of the Finance Committee (also a Board Director) and an agreement was struck for the LADOC to hold a meeting once Quarterly at the Boulder Creek Operations Building with both the Finance Director and a Board Member (preferably the Chair) in attendance to present the Lompico Assessment District Quarterly Finance Report. It was also agreed that LADOC could continue to meet as often as they deemed necessary to meet their obligations.

A series of resignations throughout 2018 resulted in lack of a quorum and irregular meetings. With the exception of one missed meeting, due to the lack of a quorum, LADOC has met regularly on a quarterly basis since November 2017, with greatly improved district support under the new District Manager and board of directors.

A new Charter was written by the committee in January 2019, and adopted by the Board, to meet the recommendations of a Grand Jury investigation and report released May 2018.

Members of the Committee 2016 to present:

April Crittenden	July 2016 – Feb 2018	Secretary 2016-2018
John Grunow	July 2016 – April 2018	
Lydia Hammack	July 2016 – June 2018	Chair Jan 2018-June 2018
*name withheld at member request	July 2016 – June 2018	Vice chair Jan 2018-June 2018
Toni Norton	July 2016 to present	Chair July 2016-Jan 2018; Nov 2018 to present
Andrew Rippert	April 2018 – June 2018	
Mary Ann LoBalbo	April 2018 to present	Vice Chair Nov 2018 to present
Jennifer Gomez	Sept 2018 to April 2019	
Dennis Lynch	Sept 2018 – Oct 2018	
John Wright	Sept 2018 to April 2019	
Debra Loewen	January 2019 to present	
Norm Hagen	August 2019 to present	



2017-18 GRAND JURY FINDINGS And RECOMMENDATIONS

San Lorenzo Valley Water District
“Encouraging the Flow of Information to the Public”
Published May 31, 2018

Summary

“Since mid-2016 the San Lorenzo Valley Water District (SLVWD or District) has struggled to address public concerns about a number of controversial issues. The administration of the Lompico surcharge and capital projects, use of glyphosate in the watershed, and a lawsuit involving a former Board member, were among the issues that drew sharp criticism from citizen groups and the press. The criticisms tested the capacity of the District’s representatives to maintain productive and civil interactions with the community and, at times, with one another. Although the Lompico surcharge has now been eliminated, other disputes and communication challenges remain. Issues such as the District’s handling of legal matters, management of the Lompico Assessment District and capital projects, and support for the Lompico citizen oversight committee continue to be divisive. In addition, District changes to meeting practices in 2017 have reduced public access to the debate and decision-making process and compromised the community’s understanding of the issues.”

“Better communication on difficult matters, an informed and effective Assessment District oversight committee, and an unwavering commitment to public access, will enable greater transparency and may restore trust and foster better relationships within the SLVWD community.”

Three Findings and Four Recommendations regarding Lompico

See the complete Grand Jury Report Online:

www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic.pdf



Madrone Tank Detail

F1	The lack of effective communication between the District and the community concerning the administration of the Assessment District has caused public concern regarding the timing and implementation of the Assessment District projects.
F2	The District has not provided adequate authority, guidance, training or support to the Lompico Assessment District Oversight Committee (LADOC) to ensure that the committee can fulfill its assessment district oversight responsibilities, thus reducing transparency and accountability to the public.
F3	Lack of effective District communication practices has reduced public access to the decision-making process and contributed to acrimony and on-going relationship challenges with the community, causing stress on elected officials and staff, as well as frustration among ratepayers.
R1	LADOC should produce an annual report detailing the status of the Assessment District revenues and expenditures (F1, F2)
R2	The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in-depth information to the public about the timing, funding, and execution of the AD projects. (F1, F3)
R3	The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role (F2, F2)
R4	The Board should ensure that LADOC receives adequate professional, technical and administrative support from the District, as well as the authority to carry out its oversight responsibilities (F2)
R5	The District should provide formal training for all LADOC citizen committee members in governance, meeting management and the Brown Act. (F2)



Madrone Tank

PREVIOUS BOARD RESPONSE AUG 22, 2018

F1-2-3 Cites "...confusion about the mechanics of the assessment district and unaligned expectations" and "...commonly held misconceptions about assessment districts generally..." leading to poor communications.

R1 "staff will help jump start the process... by generating a template to help facilitate the first annual report" within 6 months.

R2 "We believe it is important to note that comments and questions about the implementation of AD-16 projects, including priority, timeline, bidding and design considerations etc., are within the purview of the Engineering Committee and ultimately the Board. We encourage members of the public to bring these types of issues to the Engineering Committee rather than LADOC."

R3 Within 6 months we will revise the LADOC Charter to replace its current Charter. A draft will be presented to LADOC for its review and comment and to the Board for approval.

R4 We "believe the district has professional expertise up to the task of locating appropriate resources..." Within 6 months, we will make governance, meeting management, and Brown Act training available to all members of the Board and the District's public committee members. Within a year, we will evaluate and select a means of making such training available on a recurring or ongoing basis. For example, staff may consider creating tailored training materials for in-house use and reproduction versus hiring consultants and/or procuring online subscriptions, etc.

R6 "training on key topics" We believe the District has professional expertise up to the task of locating or adapting existing training, or creating new materials as necessary.

Committee comment: While an Ad Hoc committee of two board members was created June 27, 2018 for the above, no actions were taken beyond writing the initial response to the Grand Jury.

Excerpts from Grand Jury report. Footnote [#] references are found in the Grand Jury report.
LCWD-SLVWD Merger

Financial problems, an aging infrastructure, and the threat of state intervention obliged the Lompico County Water District (LCWD) to look to SLVWD for help in 2013. After two years of complex negotiations, SLVWD agreed to annex LCWD if Lompico ratepayers would pass a bond issue to fund infrastructure improvements, and agree to pay a surcharge to cover extra costs related to integrating Lompico operations into SLVWD. The conditions were laid out formally in Resolution 953-A, which all parties refer to as the "merger agreement." Similarly, while the transaction is more correctly termed an annexation, all parties refer to it as the "merger."

A bond issue to provide SLVWD with immediate funding for the Lompico infrastructure projects failed by a narrow margin in 2015. The parties then agreed to the formation of an assessment district as a "similar revenue instrument" which would collect the required funds over a 10-year period. In addition, the parties retained the requirement that SLVWD would create a "Lompico oversight committee." [3] The assessment district passed in a new ballot measure in March 2016, clearing the way for the merger on June 1, 2016.

Another condition of the merger, the 10-year Assessment District, provided \$2.75 million to fund a set of capital improvement projects specified in the accompanying Engineer's Report.[12] It also provided for the collection of an additional \$183,000 for interest payments on anticipated loans taken against future Assessment District collections. The Engineer's Report lists the Lompico capital improvement projects and the estimated cost of each project. It contains few other details about the projects or their implementation.

Since the merger, District representatives and members of the public have raised financial issues not addressed in either the merger agreement or the Engineer's Report. These concerns include questions about what adjustments are possible under the Assessment District (AD) if some projects come in substantially over or under budget, or if the District obtains grants to fund any of the listed projects.[13] [14] Other questions have focused on the disposition of the funds collected over the years for loan interest if no loans are obtained.[15] Still other financial concerns are centered on what would happen

with the designated AD funds if a listed project is later determined to be unnecessary.[16]

The construction timeline has been another area of concern. Public discussions and presentations before the merger had laid out the District's plans to start the Lompico projects shortly after the merger, with funding coming from loans taken out against the AD.[17] [18] After the merger however, the District staff investigated loan funding and reported back that it found fewer acceptable loan opportunities than it had anticipated. Instead, the District opted for pay-as-you-go construction funding for most years, with a possible bridge loan in years four through seven.[19] [20]

Lompico ratepayers have expressed their concerns that the lower priority ranking of the Assessment District projects might lead to delays and higher construction costs, with a possible consequence that some of the AD projects might not be done.

SLVWD updated its policy manual to add the new oversight committee.[23] It then solicited applicants.[24] The policy manual described the committee's role in broad terms: The Committee shall be responsible to review matters of stewardship, design, construction, replacement, and repair of the District facilities and property directly related to Assessment District 2016-1, the Lompico Service Area.[25]

LADOC's opening meeting was August 23, 2016. At its second meeting, held on October 6, 2016, the committee decided to pursue several open questions and issues that appeared to fall under its purview. Less than two weeks later, at the October 16, 2016 Board of Directors meeting, the Board debated the reduction of LADOC's duties,[26] by changing the description of its role to one which it said more closely

resembled the wording of the merger agreement.[27] At the next Board meeting, the SLVWD policy manual was amended to read: The Committee shall be responsible to review matters of revenue and expenses directly related to Assessment District 2016-1 projects.[28] [29] District representatives refer to this one sentence description of the responsibilities of LADOC as the LADOC "charter." [30] The responsibilities of LADOC continue to be the subject of discussion and disagreement.[31]

INVESTIGATION

Assessment District 2016-1

In its investigation of the Assessment District (AD), the Grand Jury found notable differences in understanding among District representatives regarding the construction strategy for the AD's projects, including District plans in the event of project delays, cost differences, or possible changes in projects undertaken.

While the District recognizes that AD funds may be used only for the benefit of Lompico, understandings differ among decision makers on what flexibility exists under the AD as written. Varying interpretations of the Assessment District terms have, in several cases, led to conflicting assertions made to the Grand Jury or to the public, about:

- the process for changing or removing projects from the Engineer's Report list[36]
- the possibility of reducing Assessment District collections in later years[37]
- ending the Assessment District early[38] [39] [40]
- whether the AD is collecting interest on a future loan[41]
- whether obtaining a loan against the AD is required[42]
- using the \$183,000 collected for loan interest for other AD expenses[43]
- returning unused funds to the ratepayers[44] [45]
- postponing the completion of Assessment District capital projects beyond ten years[46]

The Grand Jury has found that, nearly two years after the merger, District representatives still communicate differing views of the AD and its projects. The varying interpretations have caused public concern, and warrant serious and sustained discussion.

The District-wide Capital Improvement Program introduced in November 2017 has presented another communication challenge. The District used a priority rating system to rank each capital project, which resulted in a timetable for the execution of each project on the list. The CIP assumes, however, that there are no differences between Lompico and non-Lompico projects except for the funding source; that is, that the projects for which Lompico ratepayers pay an extra assessment have no special status.

In contrast, Lompico ratepayers contend that they gave their vote to accept the Assessment District in exchange for the District's promise to complete the specific projects listed in the Engineer's Report in an expeditious manner.[47]

At minimum, adequate guidance and support for LADOC would include:

- Comprehensive orientation prior to beginning work
- Members handbook of key documents, including items such as a LADOC charter (description of duties), the Engineer's Report, relevant resolutions,[75] [76] [77] [78] relevant District policies and procedures, project descriptions, budgets and schedules, financial reports, minutes of prior meetings, guides to Brown Act and parliamentary procedures
- Regular meeting schedule, at least quarterly

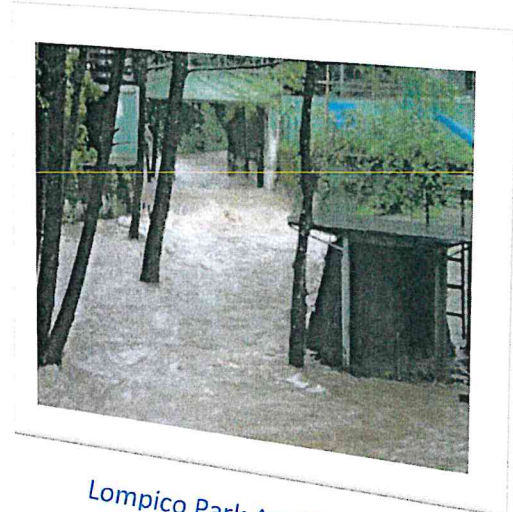
Expected duties of the oversight committee would include:

- Tracking expenditures of assessment proceeds back to the capital improvement plan
- Actively reviewing and reporting on the proper expenditure of assessment money for the Lompico construction and replacement projects listed in the Engineer's Report
- Maintaining a committee webpage with (1) detailed information about the progress of each project, (2) committee minutes, and (3) materials it has received
- Preparing and publishing an annual report for ratepayers

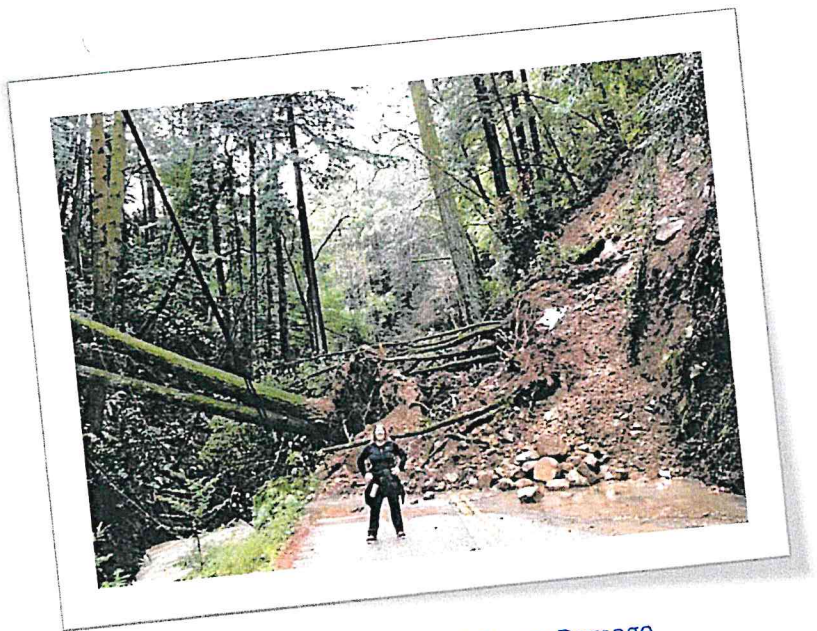
Expected duties of the District would include:

- Providing timely, comprehensive data to the oversight committee, including financial reports that display original budget, current budget, actual expenditures, budget balance, and approved commitments to projects to date across all fiscal years
- Providing technical and administrative assistance

LADOC meeting notes and internal emails from April 2017, and subsequent Grand Jury interviews, confirm that LADOC sought more support from the Board and staff, but the District did not have the resolve to provide effective support.[81] [82] [83]



Lompico Park April 2006



2017 Lompico Road Storm Damage

TIMELINE REFERENCES AND RESOURCES

***Links listed valid as of Dec 2019 due to SLVWD updating website

1964 June 7	“\$1.5 Million Water Bond Issue Before Lompico's 70 Voters” <i>Santa Cruz Sentinel</i> ; Library clipping file: Lompico ; Viewed on microfiche, California Room. Also may be found by title on https://cdnc.ucr.edu UCR Center for Bibliographical Studies and Research, California Digital Newspaper Collection.
2010 May	“Up a Creek without a Financial Paddle: The Lompico County Water District”, Grand Jury Report 2009-10. http://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2010_final/Up_the_Creek.pdf
2010 July	Beginning of merger discussion between districts: SLVWD District Manager Jim Mueller; BOD consists of Jim Rapoza, Terry Vierra, ; Lompico County Water District board: Lois Henry, Bill Smallman, Rick Harrington, Chris Kilgus, and Rob Hansel.
2010 July 8	“Lompico Summary of Costs”, SLVWD announcement. “On July 8, 2010 Lompico County Water District held a meeting with representatives from the San Lorenzo Valley Water District to discuss and provide information relative to potential merger options for Lompico County Water District at the Zayante Fire Station.” http://www.slvwd.com/agendas/OTHER/2010/Lompico/Lompico%20July%208%202010.pdf
2010 July 15	“Lompico Water considers merger with SLV”, <i>Press Banner</i> . “Jim Mueller, San Lorenzo Valley Water District’s general manager, presented his district’s evaluation of Lompico, including what a merger would cost customers.” http://www.goldenstatenewspapers.com/press_banner/news/lompico-water-considers-merger-with-slv/article_433d800b-7aa1-561f-bf80-fa6947c3abf2.html
2011 July 13	“Cash strapped Lompico to consider increases to water rates”, <i>Santa Cruz Sentinel</i> . “Meanwhile, talks are continuing with the larger San Lorenzo Valley Water District, which serves 7,300 connections. Lompico, which has approximately 500 connections, is seeking members of the community to sit on a citizen’s advisory committee to research and prepare information related to the potential merger, with those members chosen at next week's meeting. https://www.santacruzsentinel.com/2011/07/13/cash-strapped-lompico-to-consider-increases-to-water-rates/
2012 April 20	“SLV Water to assist Lompico”, <i>SLV news slvnews.net</i> “The San Lorenzo Valley Water District Board voted 5-0 to assist the Lompico County Water District by providing technical and contract management assistance for a pair of studies that will help determine the costs to replace tanks and install a connection between the two systems” http://slvnews.blogspot.com/

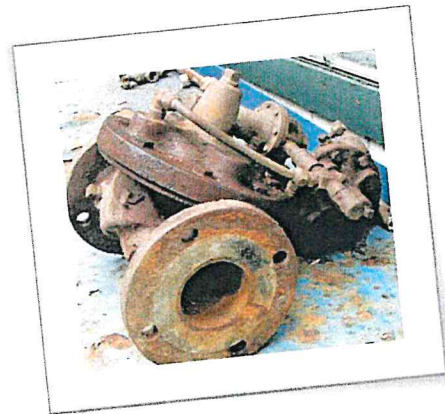
<p>2012, June 28</p>	<p>“Protecting Our Special Districts – is there any oversight?”, <i>Grand Jury 2011-12 final report</i>. “Using the Lompico County Water District’s (LCWD) troubled history as a backdrop, the Grand Jury explored the boundaries and scope of oversight for independent special districts in Santa Cruz County.” https://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2012_final/Protecting_Our_Special_Districts.pdf and 2011-12 continuity report follow-up “ LAFCO states that it lacks the funding and personnel to exercise the more “proactive” oversight, even for problem districts” https://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2012_final/LAFCO-continuity.pdf</p>
<p>2012 Aug 8</p>	<p>“For tiny Lompico County Water District, a huge retirement bill”, <i>Santa Cruz Sentinel</i>. “The 494-hookup district has navigated years of rocky waters and criticism of sky-high water bills. Its former district manager was charged with falsifying water reports, and since his firing the district has operated with a secretary and three technicians, one part-time. Its annual payroll is a threadbare \$130,000.” https://www.santacruzsentinel.com/2012/08/08/for-tiny-lompico-county-water-district-a-huge-retirement-bill/</p>
<p>2013 July 25</p>	<p>“Potential Consolidation of Lompico and San Lorenzo Valley water districts”. <i>Letter of Recommendation to Board of Supervisors from Health Services</i>, Santa Cruz County. “Operation of the District has been subject to many challenges, including: inadequate water supply, lack of any potential new water sources, aging infrastructure, leaking water tanks, inadequate treatment facilities, management issues, and disagreements among the community about how best to govern. Lompico has the highest water rates in the County, which has posed a challenge to the many low and moderate income residents of the community.” http://sccounty01.co.santa-cruz.ca.us/BDS/Govstream2/Bdsvdata/non_legacy_2.0/Minutes/2013/20130625-599/PDF/067-1.pdf</p>
<p>2013 Sept 23</p>	<p>Water board President of the Year, California Special Districts Association, awarded to Lois Henry, Lompico County Water District: <i>County Press Release</i> https://patch.com/california/scottsvally/lompico-water-board-president-wins-state-honor</p>
<p>2013 Dec 4</p>	<p>Public Meeting at Zayante Fire Station, Presentation of Merger Options SLVWD-LCWD http://www.santacruzlafco.org/wp-content/uploads/2015/09/Lompico-Merger-Options.pdf</p>
<p>2014- 2016</p>	<p>Santa Cruz Local Agency Formation Commission (LAFCo) containing reports on Lompico County Water District. https://www.santacruzlafco.org/reports/ and links. Feb 2014 presentation on draft merger options: http://santacruzlafco.org/Library/Lompico%20Merger%20Options%20Dec%205.pdf</p>
<p>2014 Jan 30</p>	<p>“California drought: communities at risk of running dry”, <i>San Francisco Chronicle</i>. State Department of Public Health lists Lompico County Water District among 17 small communities throughout the State likely to run out of water within 100 days; requirements to cut water use by 30% during the drought. https://www.sfgate.com/news/article/California-drought-communities-at-risk-of-5184906.php</p>

2014 Feb 4	“What happens when a town runs out of water?”, <i>Newsweek</i> . “For now, Lompico has enough water to limp by. But [LCWD Chair Lois] Henry says one of the town’s three wells has recently been cutting out, reducing even further the approximately 35 gallons per minute the district is able to pump to its 494 water hookups. The water supply is so precarious that, Henry says, Lompico is one water main break or major fire away from disastrously low levels.” https://www.newsweek.com/what-happens-when-town-runs-out-water-227929
2014 Feb 14	SLVWD-Lompico Intertie Agreement. Board of Directors agenda packet Feb 20, 2014. http://slvwd.com/agendas/Full/2014/02-20-2014/Item%208b.pdf
2014 April 18	“Bad week as Lompico loses two of its three water wells to motor damage” <i>KION news</i> . “Not only is Lompico in a phase three rationing stage-- which means no water use between specified hours and no outdoor irrigation-- but with two out of their three wells went down.. ;it means we have a lot of work to do’ ” https://www.kion546.com/news/santa-cruz-county/bad-week-as-lompico-loses-two-of-its-three-water-wells-to-motor-damage/66224358
2014 May 4	“Lompico emergency pipeline completed fears eased “, <i>Santa Cruz Sentinel</i> . http://www.santacruzsentinel.com/general-news/20140504/lompico-emergency-pipeline-completed-fears-eased
2015 Feb	Measure N: Bond Issue, Parcel Tax and Appropriations Limit Increase, Santa Cruz Community Facilities District No. 2 https://ballotpedia.org
2015 Feb 27	“Lompico water bond fails by one vote”, <i>Santa Cruz Sentinel</i> . “Of the 516 votes, 343 backed the measure — 66.47 percent — and 173 voted against it — 33.53 percent.” Total voter turnout was 69%, “which is a good turnout when it comes to elections but what happened to the other 31 percent of the people?”- Gail Pellerin, County Clerk, on why every vote counts. http://www.santacruzsentinel.com/20150227/lompico-water-bond-fails-by-one-vote
2015 Aug 20	SLVWD board memo to approve Lompico Assessment District and recommitting to merger. Board agenda packet. http://www.slvwd.com/agendas/Full/2015/8-20-2015/10c.pdf
2015 Aug 24	Commentary on SLVWD-Lompico merger, <i>Fifth District Supervisor Bruce McPherson</i> on change to Assessment District for funding mechanism http://supervisorbruce MCPerson.org/san-lorenzo-valley-water-district-to-merge-with-the-lompico-water-district/
2015 Nov 25	County Board of Supervisors approve Lompico Assessment District With letter of recommendation from County Health Services, after failure of bond vote and granting of one year extension by LAFCo: “LCWD now proposes to form an assessment district within its boundaries, in order to finance the infrastructure upgrades required to complete the annexation to SLVWD. This financing method has broader support in the community than the CFD had, and is expected to be approved by Lompico property owners.” http://sccch.com/Portals/6/Env_Health/water_resources/WAC/WAC%20Meeting%202015%2012%209/J5.pdf
2016 Jan 16	The Board of Directors of the Lompico County Water District, Felton California accepts Preliminary Engineer's Report and Assessment. Link to Engineers Report: http://www.slvwd.com/lompico/EngineersReport3-22-16.pdf

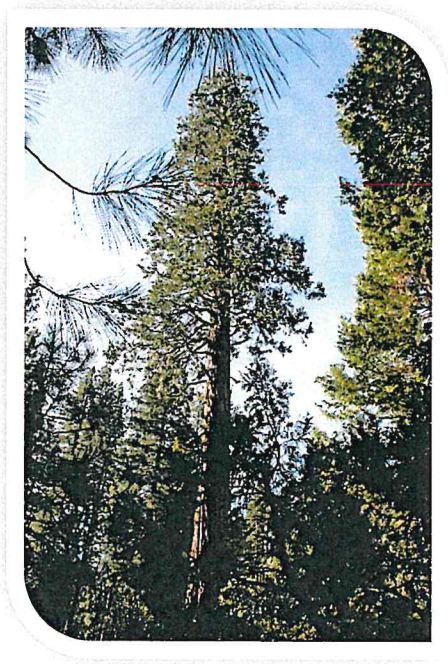
2016 Feb 15	Link to Measure N Voters Pamphlet-includes Pros and Cons of Merger https://www.votescount.com/Portals/16/feb15/mean.pdf
2016 March 16	Assessment District mail-in vote deadline
2016 March 17	“Assessment District vote count delayed”, <i>Santa Cruz Sentinel</i> . https://www.santacruzsentinel.com/2016/03/17/lompico-water-vote-count-stalled-until-may-4/
2016 May 5	“Lompico votes for merger with San Lorenzo Valley Water District” <i>Santa Cruz Sentinel</i> . “Dealing with increasing stringent state regulations was a challenge for Lompico, limited in revenue with 500 customers compared to 8,800 in the San Lorenzo Valley Water District.” “This is terrific, a tremendous ending to a three-year process,” said county Supervisor Bruce McPherson.” https://www.santacruzsentinel.com/2016/05/05/lompico-votes-for-merger-with-san-lorenzo-valley-water-district/
2016 June 1	“Lompico merger with San Lorenzo Valley Water District is complete”, <i>Santa Cruz Sentinel</i> . The Assessment District was “approved by voters 287-74 on May 4...Lompico residents with one hookup will pay \$5,786 over 10 years, about \$48 per month, paying in property tax bills mailed twice a year.” “Applications are being sought for the five-member Lompico Oversight Committee.” http://www.santacruzsentinel.com/article/NE/20160601/NEWS/160609982
2016 June 2	“Merger Official after Assessment District vote”, <i>Santa Cruz County Press Release</i> . “In May, 79.5 percent of District customers voted in favor of a merger.” http://www.co.santa-cruz.ca.us/Portals/0/County/CAO/press%20releases/06022016Lompico.pdf
2017 Mar 11	“SLV water should drop unfair Lompico surcharge”, <i>Press Banner Commentary</i> by B. Holloway. http://www.goldenstatenewspapers.com/press_banner/slv-water-should-drop-unfair-lompico-surcharge/article_1143a73e-06ef-11e7-b2f8-c773d6a70fd2.html
2017 May 11	District Manager Brian Lee informs LADOC he will no longer attend meetings, and says all further questions must be in writing to the board of directors. LADOC drafts first list of questions, included a request for a meeting with the Finance Manager to work together to design a monthly Finance Report and a quarterly meeting with Rick Rogers, the Director of Operations to obtain updates on Lompico Projects.
2017 Sept 7	“San Lorenzo Valley residents to pay most for water after rate increase”, <i>Santa Cruz Sentinel</i> . “According to water district staff, the increase is necessary to fund long-overdue replacement and repair of pipes, pumps and tanks throughout the widespread rural region. The district estimates the work to cost \$30 million over the next 10 years.” http://www.santacruzsentinel.com/environment-and-nature/20170927/san-lorenzo-valley-residents-to-pay-most-for-water-after-rate-increase
2017 Oct	LADOC chair memo to the Board of Directors: “The committee has been meeting for fifteen months and has not yet been provided with a report that would assist us in this task [review of expenses].”

2017 Oct 19	BOD meeting. District Manager and director Margaret Bruce propose to either eliminate the Lompico Assessment District Oversight Committee (LADOC) or reduce it to meeting “no more than once a year”.
2017 Nov	The first Lompico Assessment District Finance Report was delivered to the LADOC at the 11/15/2017 meeting and presented by Stephanie Hill the SLVWD Finance Director. The Board president Chuck Baughman was also in attendance to address LADOC questions and concerns.
2018 Jan	First financial reports received by LADOC at a meeting: included water meter changeouts completed in June 2016, and a temporary SCADA (control system) installed in August of 2016.
2015, Feb 18	“Measured Hope”, <i>Good Times</i> “To bring the district back to good standing and make all necessary repairs to bring the water district’s equipment up to state requirements, the Santa Cruz County Board of Supervisors created a special all-mail ballot election to vote on a \$3.2 million bond measure, Measure N. The last day to vote is Tuesday, Feb. 24.” http://goodtimes.sc/santa-cruz-news/measured-hope/
2018 May 31	“Encouraging the Flow of Information to the Public”, <i>Santa Cruz County Grand Jury report</i> http://www.co.santacruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic.pdf
2018 May 31	“San Lorenzo Valley Water District challenged by grand jury findings”, <i>Santa Cruz Sentinel</i> . “The San Lorenzo Valley Water District since 2016 has struggled to address divisive issues, management of Lompico Assessment District capital projects and support for the Lompico Citizen Oversight Committee, the <u>Santa Cruz County civil grand jury</u> reported Thursday.” https://www.santacruzsentinel.com/2018/05/31/san-lorenzo-valley-water-district-challenged-by-grand-jury-findings/
2018 June 27	Special meeting: SLVWD BOD agenda item 3a (pgs 4-43) Presentation of Grand Jury report to the board and formation of an Ad Hoc committee of directors Baughman and Hayes, to draft a board response to the Grand Jury; Ad Hoc amended to fulfill changes proposed. https://www.slvwd.com/agendas/OTHER/2018/SpecBoDAgenda%206.27.18%20with%20Closed%20Session.pdf
2018 Aug 22	SLVWD board grand jury response. The board “agreed” with all findings and responded to all recommendations with “has not been implemented but will be implemented in the future”. http://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic_BoD_Response.pdf
2018 Sept 20	BOD regular meeting, agenda item 13.1 SWRCB Permit Amendment [adding Lompico and Manana Woods to SLVWD system] and Supplemental Engineering Report on conditions in Lompico re: redwood tank replacements, water testing, minimum flow requirements of intertie. https://www.slvwd.com/agendas/Full/2018/9-20-2018/BoD%20MEETING%20AGENDA%209.20.18.pdf
2018 Oct 25	“Familiar face to lead SLV”, <i>Press Banner</i> ; on appointment of Rick Rogers as District Manager, after serving as interim manager since Brian Lee resigned in August. http://www.goldenstatenewspapers.com/press_banner/news/a-familiar-face-to-lead-slvwd/article_1259c7e6-d87d-11e8-b959-6b5557a6560d.html

<p>2018 Nov 29</p>	<p>“Fultz, Henry, Swan elected to SLVWD BoD”, <i>Press Banner</i>. “[Lois] Henry, long-time resident of Lompico,”...”served eight years on the board of directors of the Lompico Water District from 2008 to 2016 through the merger with SLVWD. http://www.goldenstatenewspapers.com/press_banner/news/fultz-henry-swan-elected-to-slvwd-bod/article_65fca5ec-f409-11e8-bbb2-5773f02afbb4.html</p>
<p>2019 Jan- Feb</p>	<p>LADOC new charter detailing duties of the committee and district support was written by the committee in a series of workshops; approved and adopted by the Board on March 21. BOD agenda 3.21.19, New Business, item 5B (pages 118-125). http://www.slvwd.com/agendas/Full/2019/3-21-2019/BoD%20MEETING%20AGENDA%203.21.19%20with%20backup.pdf</p>
<p>2019 April- July</p>	<p>LADOC workshops on preparation of first Annual Report. Approved by the board on – [link]</p>



Used valve from PRV station



Redwoods



Memcor treatment plant Valve detail

GREETINGS LOMPICO ASSESSMENT DISTRICT CUSTOMERS

The very first Annual Report has finally been published to provide you with details of the progress and expenditures of your annual financial contributions to the Lompico Assessment District infrastructure projects. This report covers the time period from inception, June 1, 2016 through June 30, 2019.

On the flip side of this page is a one page Balance Sheet/Project Status summary. For many more details, including: an explanation of why it took so long to deliver an annual report, a letter from the SLVWD District Manager providing details of the great recent progress made toward completion of Lompico projects, **VIEW THE ENTIRE ANNUAL REPORT AT: slvwd.com/_Lompico.htm**

THANK YOU!!!

Your Current Lompico Assessment Oversight Committee:

Toni Norton-Chair, Mary Ann LoBalbo-Vice Chair, Deb Loewen and Norm Hagen

BALANCE SHEET AND PROJECT STATUS

LOMPICO ASSESSMENT DISTRICT BALANCE SHEET					
Running Totals Since Inception	TOTAL	FY1819	FY1718	FY1617	FY1516
ASSESSMENT REVENUE	\$922,013	\$309,126	\$301,377	\$282,580	\$28,930
EXPENSES					
METER PROGRAM	-\$197,888			-\$197,888	
SCADA	-\$19,540			-\$19,540	
SCADA SURVEY	-\$8,257	-\$8,257			
SERVICE LINES	-\$43,982	-\$19,694	-\$24,288		
MAIN PRV	-\$36,820	-\$30,292	-\$6,528		
Lewis Tank	-\$23,242	-\$23,242			
Madrone Tank	-\$23,242	-\$23,242			
Kaski Tank	-\$23,242	-\$23,242			
NBS Administration Services*		-\$4,593	-\$10,920		
	-\$391,725				
CASH BALANCE	\$530,288				

*Company that provides administrative services for Assessment Districts

LOMPICO ASSESSMENT DISTRICT PROJECTS AND EXPENSES*				
ASSESSMENT DISTRICT PROJECTS	STATUS	Assessment Estimate	BID	Prelim work Total
Install 3 New Bolted Steel Tanks		\$ 682,500		
Lewis Tank(s) – replace two	Engineering and consulting completed-awaiting RFQ response			\$ 23,242
Madrone Tank(s) – replace two	Engineering and consulting completed			\$ 23,242
Kaski Tank(s) -replace two	Engineering and consulting completed			\$ 23,242
Refurbish Mill Creek WTP	Project cancelled - see details	\$ 105,000		\$ -
Service Line and Meter Replacements		\$ 862,500		
Meter Program	Complete			\$ 197,888
Service Line/Lateral	Ongoing - 38 replaced - see details			\$ 43,982
Distribution System Interconnect	Ongoing - see details	\$ 301,000		\$ -
SCADA System	Temporary- see details	\$ 441,000		\$ 27,797
Remove and Replace Existing PRVs	In progress	\$ 358,000		\$
6 PRV units on water mains	Expenses for consulting work. Awarded Bid for all \$468k Feb		x	\$ 36,820

* Represents all Assessment revenue and expenses since inception of Lompico Assessment District. Please see Assessment District AD-16 Engineer's Report included for additional details regarding estimates

Contact us at: ladoc@slvwd.com

Enclosure D

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Contact us at: ladoc@slvwd.com

Enclosure E



**SPECIAL BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
July 22, 2020**

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.

Notice is hereby given that a special meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Wednesday, July 22, 2020 at 10:00 a.m.**, via video/teleconference.

To join the meeting click the link below, or type it into your web browser:
<https://us02web.zoom.us/j/85438173845>

+1 669 900 6833
+1 346 248 7799
+1 253 215 8782
+1 312 626 6799
+1 929 436 2866
+1 301 715 8592

Webinar ID: 854 3817 3845

1. Convene Meeting/Roll Call

2. Oral Communications:

This portion of the agenda is reserved for Oral Communications by the public for items which are not on the agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda.

Any person may address the Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, communication must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.

Any Director may request that a matter raised during Oral Communication be placed on a future agenda.

3. New Business:

Members of the public will be given the opportunity to address this scheduled item prior to Board deliberations. The President of the Board may establish a time limit for members of the public to address the Board on agenda items.

a. GOVERNANCE TRAINING

Facilitation by Amy Howorth, with MRG, regarding Governance Training.

4. Adjournment

Certification of Posting

I hereby certify that on July 20, 2020, I posted a copy of the foregoing special agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 24 hours in advance of the special Meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on July 20, 2020,

Scott Mattoch
Network Specialist

Nicholls, Gina R.

From: Amy Howorth <amyhoworth@gmail.com>
Sent: Tuesday, July 21, 2020 5:08 PM
To: Steve Swan; Rick Rogers; Lois Henry; Bob Fultz; Rick Moran; Lew Farris; Nicholls, Gina R.
Subject: [External] approximate agenda for tomorrow ad attachment
Attachments: slvwd code of conduct policy.pdf

Dear SLVWD Board Members,

I'm looking forward to seeing you tomorrow!

Below is a rough outline of the day. We may spend more or less time on a topic and I may change things up depending on your interest level. I wanted to have an idea of what to expect. I also made a mistake when I attached your board policy in yesterday's email. I am attaching the appropriate file today. I wanted to let you know that my colleague, Shirley Concolino will be observing. She and I have many upcoming projects together and since the virtual space is somewhat new, I wanted her to see how I structured our workshop.

Please let me know if you have any questions or concerns. Thanks in advance for your flexibility.

See you tomorrow!

Amy

10:00 am Board President Opens Meeting

I don't have an idea on how much public comment there will be, so I am estimating when I will start my facilitation.

10:20-10:30 - My intro- which should take roughly ten minutes. I'll introduce myself to any public that is watching and remind us all why we are here and what we want to accomplish. I'll give an overview of what brought me here and state our objective. I'll preview the agenda; and we will set ground rules *together*.

10:50- Introductory Exercise. I will break the Board Members into 2 groups (3 & 2) and you will spend 5-8 minutes on the task. The task involves thinking and writing. Then we will reconvene and share and talk about what each group created. I'll use the whiteboard feature of Zoom to document the two teams' work. In total this may take 15-20 minutes.

11:15 We will talk about the attributes of exceptional board members (I sent you two articles about this).

11:30- ten minute break (please don't hesitate to ask for one sooner! And if you don't need ten minutes we can adjust!)

11:40 We will dig into campaigning vs governing, starting with the article I sent you. We will use the breakout room feature again (different configurations) We will talk about the necessary differences in them and some potential strategies for dealing with transitioning to governing. We will refer to the upcoming election in broad terms. We will also be looking at some other water agencies websites.

12:15 LUNCH (you decide how much time you want. At this point we will log off of zoom and then log back on and agreed upon time

1:00 pm A look at Board & Roles & relationship. How to maximize everyone's time and effectiveness. We may break into groups again for this. TBD.

1:30 Transparency, the Public and Trust- You will work together (or on the groups) to define what transparency means for SLVWD and how your individual and collective actions can enhance transparency and trust.

2:00- break

2:15 Team Norms/Best Practices/ You Name it. Literally. Please read the article that I sent as well as the examples from Scotts Valley, Los Altos. This is where I want you to also have your own Board Policy available for reference We will discuss what this is and is not; why it can help and then discuss ways to make it stick.

Data & Resources

Published on Aug 08, 2018

10 traits of effective leadership

Contact: [Emma Shepard](#)

Want a fresh perspective? Read these 10 traits of effective local leadership.

- 1. Know the rules of road.** Understand the State Constitution and relevant RCWs. This helps shape certain city decisions and relationships. Take advantage of Jurassic Parliament and dig into Roberts Rules. It's healthy to understand and review annually, especially with new councilmembers.
- 2. Listen and learn.** When we're elected, we think we know it all. Listen to staff, fellow councilmembers, and community members. Talk to smart people who care and they will tell you the truth. Attend the planning commission meetings – you'll learn something.
- 3. Persuade two to three people** to agree with you and you get something done on council. Craft your argument to reach your council. Keep it short and to the point.
- 4. Learn how to be a good winner and loser.** Residents expect us to work together. Refuse to demonize people who don't support you. Build relationships with all sides.
- 5. Appreciate the separation of powers.** This is basic but extremely important. Understand what you can and can't do.
- 6. Stick with the highest standard.** Stand by your ethics. You have every right to speak to your city attorney about concerns. Always err on the side of checking.
- 7. Respect everyone.** Respect staff. They want to help. We all need to hold ourselves to a high level of civility.
- 8. Be responsive** and get back to people. Don't pass on blame. You represent the city and if you don't know the answer, don't wing it.
- 9. Pitchforks and torches.** Sometimes you aren't popular with council or community. Don't let yourself go into a negative trajectory when making a difficult decision.
- 10. Take care of yourself.** Study emotional health. Get sleep. Try a 20-minute walk or run every week with a community member. You can't take care of the city if you don't take care of yourself.



Data & Resources

Elected officials essentials

News

AWC news

Ten Traits of an Effective Councilmember

January 2, 2018 by Jon Mutchler

Category: Legislative Body, Administrative and Elected Officials



More than books, classes, videos, and seminars (as vital as they are), it's been the critical and thoughtful observation of others that has helped me mature the most in my professional life as a public servant. Some are mentors and others are just people I've admired from a distance.

Following eight years of serving the citizens of Ferndale, including six years as a city councilmember and two as mayor, I've observed ten traits that define truly effective councilmembers.

Here they are.

Self-care

Council work is uniquely difficult and it is easy for elected officials to neglect themselves physically, emotionally, relationally. Public life can be taxing and one can't be effective and make good community decisions when self-care is absent. Sure, you want to take care of your city: take care of yourself first!

Know-it-alls (NOT!)

There is an ego boost when elected that brings a misguided sense of "I should know it all." Well, we don't, and six of the smartest words an elected official can use are: "I don't understand, can you help?" We call it teachability, openness, and a willingness to learn.

A good councilmember studies, listens, and is willing to have preconceived ideas challenged. He's open to staff, the public, even that councilmember he dislikes! He recognizes his own biases, prejudices, and values.

Smooth talker

An effective councilmember communicates intelligently, articulately, and thoughtfully. She's able to persuade and change opinions without bullying or manipulating. She builds consensus and pulls a council together. She shows her colleagues that she understands the issues and is able to logically explain how her decisions are made.

R.E.S.P.E.C.T.

More than “just a little bit,” an effective councilmember is respectful, polite, and deferential toward all: to fellow councilmembers, staff, and the public—regardless of likes, dislikes, friendships, politics. He doesn’t insult, attack, or demand.

Good loser

Our true character emerges when things don’t go our way. An effective public servant is emotionally and relationally mature and shows it when losing. She stays calm when a vote goes the ‘wrong’ way. She respects voters and the process, even when she is on the minority side of a heartfelt issue. She remains statesmanlike in defeat.

“Do you swear?”

An effective councilmember puts the law, code, and citizens first, regardless of personal benefit or bias. He chooses to set aside preconceived ideas and personal likes/dislikes, and he consistently achieves the highest level of adherence to his oath of office. He respects state law, city bylaws, council rules, and parliamentary procedures. He knows when to recuse himself from the process to protect his integrity and that of the council.

Pitchforks and torches

A good councilmember emerges when she votes for something she knows is in the best interests of the city while public outcry demands the opposite. Some of the most important decisions an elected official makes may be counter to a barrage of angry emails and public comment.

A good councilmember also recognizes that an angry mob does not necessarily reflect the view of a quiet majority. She knows that a flood of emails does not necessarily confirm public opinion in general and makes her decisions based on merit, not emotion.

Separation of powers

An effective councilmember respects the role and function of the public, city staff, and the city’s executive. Most council/mayor/staff problems occur when those boundaries are not honored. He knows the limits to his authority (for more on this, see the current [Mayor & Councilmember Handbook](#)).

High personal standards of character and ethics

An effective councilmember doesn’t embarrass fellow colleagues with inappropriate conduct or activities. She exercises personal self-discipline to never bring dishonor to her office.

Picks up the phone

He responds to citizens politely and promptly and remembers that “they” are the boss. He values their contributions, comments, and concerns and responds accordingly.

Questions? Comments?

If you have questions about this topic or other local government issues, please use our [Ask MRSC form](#) or call us at (206) 625-1300 or (800) 933-6772. If you have questions or comments about this blog post, please email the [MRSC Insight Editors](#).

MRSC is a private nonprofit organization serving local governments in Washington State. Eligible government agencies in Washington State may use our free, one-on-one [Ask MRSC service](#) to get answers to legal, policy, or financial questions.



About Jon Mutchler

Jon Mutchler currently serves as the Mayor of Ferndale, an office he has held since January, 2016. As mayor, Jon is responsible for providing direction in the development of the annual city budget; supporting the City Council and keeping it advised of city needs and activities; coordinating efforts between the city and other entities; educating/informing the public on city issues, affairs, and programs; representing the city on various boards and committees; managing city contracts for special services; and supervising the efforts of city departments.

Prior to serving as mayor, Jon was elected to the Ferndale City Council in 2009 and reelected in 2013. Jon was also elected to and served on the 2015 Whatcom County Charter Review Commission. Jon is a WWU graduate, a local pastor, and professional pianist, and the father of seven.

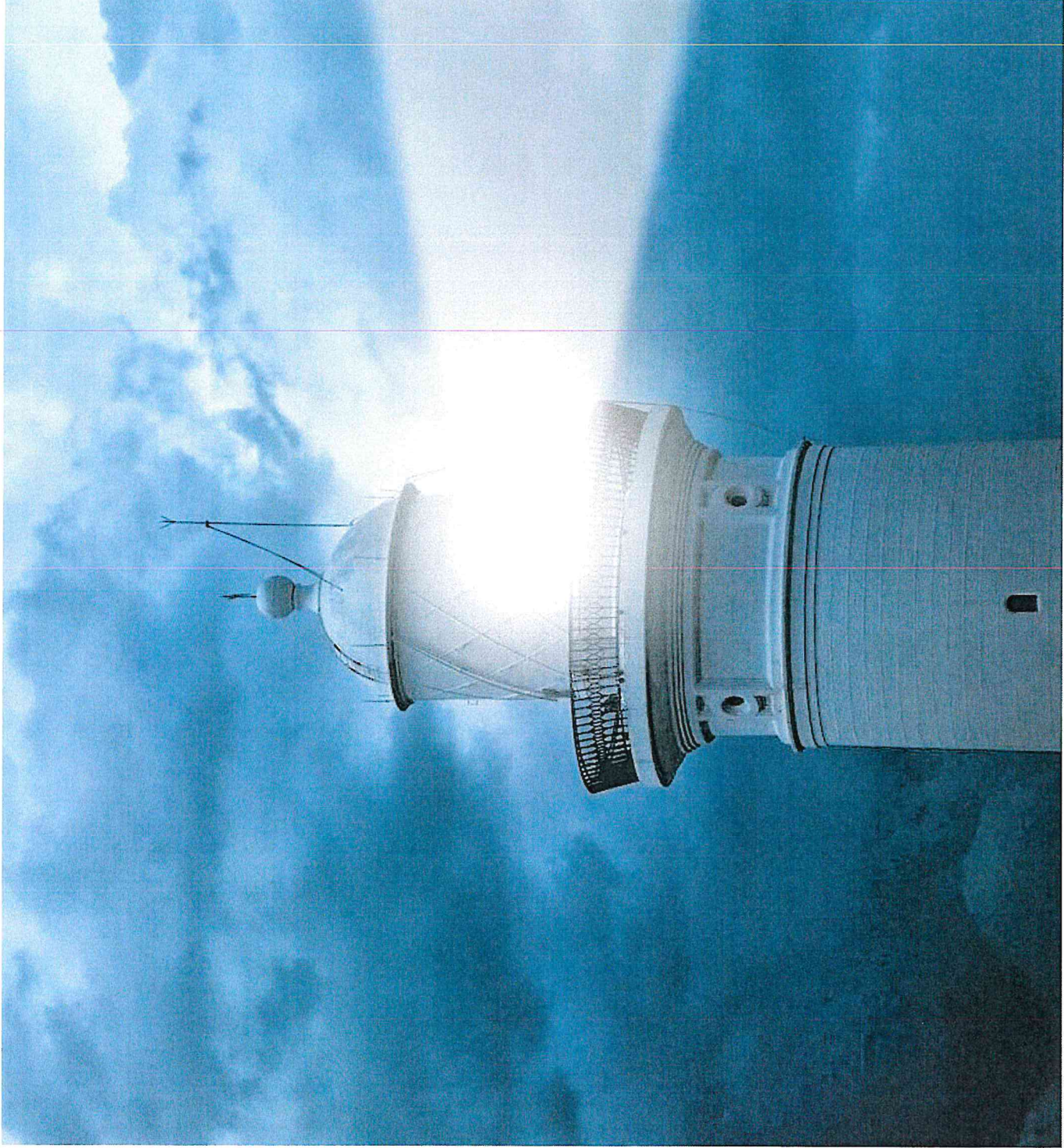
The views expressed in guest columns represent the opinions of the author and do not necessarily reflect those of MRSC.

[VIEW ALL POSTS BY JON MUTCHLER](#) ▶

1/28/2020

WESTERN
City

Beyond Ethics: Establishing a Code of Conduct to Guide Your Council - Western City Magazine



Olaser

December 1, 2019 | [Features](#) | by Rod Gould

Beyond Ethics: Establishing a Code of Conduct to Guide Your Council

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It is often said that ethics is the foundation of public service and essential for public trust and confidence in public officials. This is true, but ethics alone is not enough.

A 2019 study conducted by the Pew Research Center reports that public trust in government remains near historic lows. The current dearth of public confidence in government requires elected and appointed officials to lead by example even more than in the past. This means conducting themselves with the highest levels of civility and decorum, thereby giving residents a reason to reconsider negative stereotypes of government leaders and to modulate their own behavior when engaging with government officials.

Many observers lament the coarsening of civic dialogue in the United States and note its creeping effects in council chambers. Sometimes this manifests in a few shrill advocates and critics who spew vitriol and discord to disrupt the public process. At other times, council members themselves display an appalling lack of respect for each other, staff and/or the public they serve. Invariably, the council's example sets the tone. Disrespectful conduct on the council's part normalizes such behavior by the public attending the meeting or watching it on television or online. The cycle then repeats — for the worse.

Elected officials' lack of civility impedes governance in many ways, such as stalling the decisionmaking process, undermining employee retention and recruitment, fueling political apathy and discouraging public participation. Over time, the standard set for acceptable behavior becomes increasingly lower.

Although cities periodically conduct ethics training for officials as required by state law (AB 1234, Chapter 700, Statutes of 2005), most don't take the time to discuss *how* they govern. This is puzzling because local government can be seen as the ultimate team sport, where everyone must play their roles well for civic progress to occur.

Fostering Focused and Productive Dialogue

How often do councils and senior staff take time to discuss what is working and what can be improved in the ways they interact and carry out their duties? What benchmarks do they use to measure their behavior? Most importantly, how do they hold themselves and each other accountable?

Many cities have adopted codes of ethics for their organizations and/or city councils, which is positive and appropriate. Some are taking the additional step of defining how the elected leaders and staff are to behave in carrying out their duties. These policies are typically called codes of conduct or council guidelines or norms. In such policies, the local government leadership sets the rules and expectations for how they govern their cities — defining a civil and respectful governing culture consistent with best practices.

How to Develop a Code of Conduct

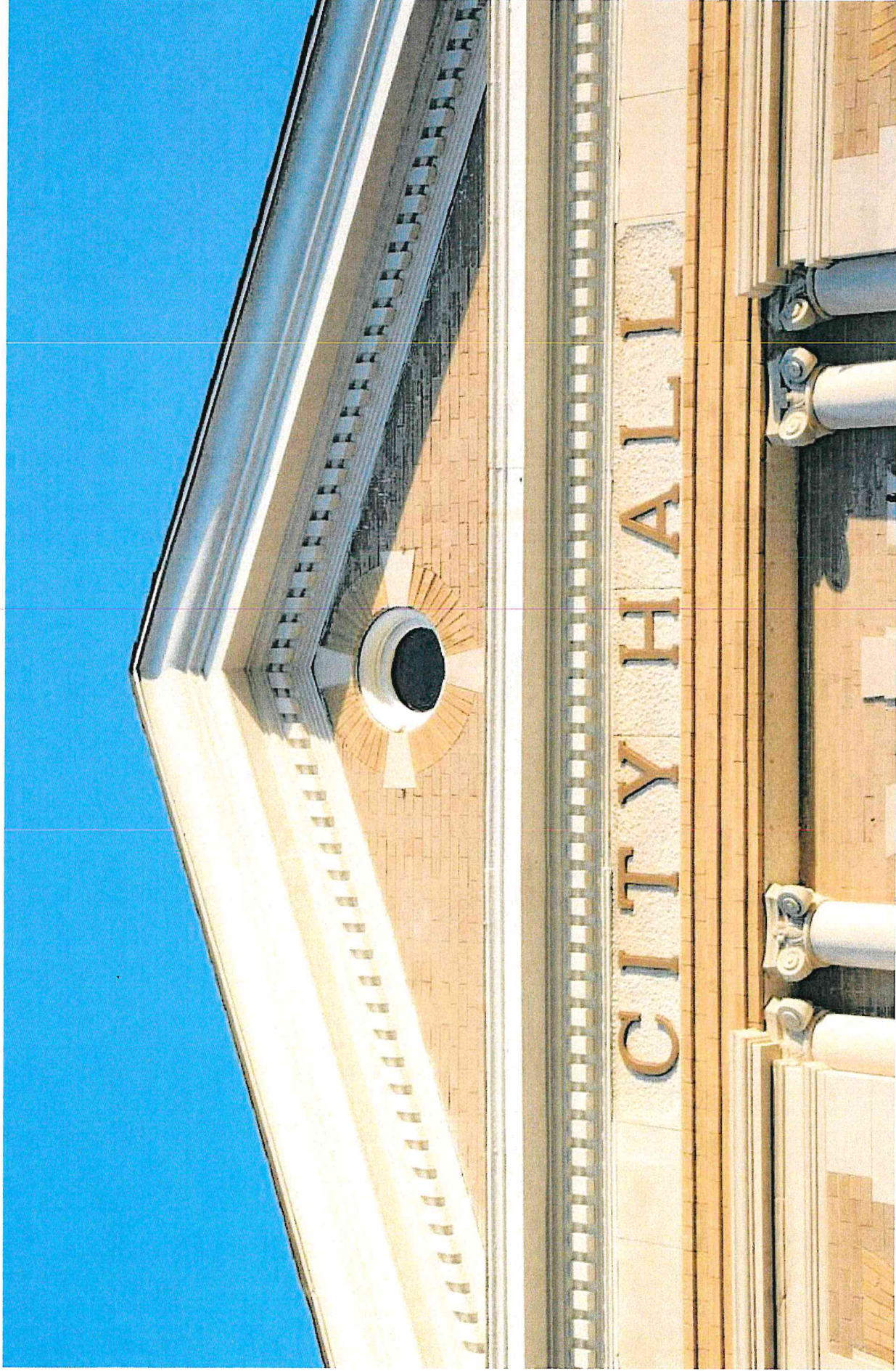
Whether the city council members are experienced or fairly new, each member articulates their vision of the organizational culture and values for the governing body when the council spends time developing a code of conduct. This also sets the tone for future councils.

This type of exercise should be conducted as an off-site workshop rather than as part of a council meeting with a packed agenda. Welcome the public and media to attend this open workshop but make it clear that the council will focus on the process of governing, not on addressing local issues.

When developing a code of conduct, consider these tips for a successful session:

- Create an informal atmosphere with seating arranged so that everyone can see each other, rather than using auditorium-style seating;
- Engage a neutral facilitator so that everyone may participate freely;
- Provide food, beverages and breaks; and
- Encourage the use of humor.

Use the theme of commitment to community to get things started. This can be accomplished through a team-building conversation that allows the council members to express why they ran for office, what they hope to accomplish, their greatest satisfaction in serving in elected office and the legacy they hope to create.



Sshepard

A discussion about the habits of highly effective councils can help clarify the roles of the key local government players before developing the code of conduct or civility. To support such a discussion, the Institute for Local Government website (www.ca-ilg.org) offers useful resources that include the

articles “Attributes of Exceptional Councils” and “A Key Ingredient for Success: An Effective City Council-City Manager Relationship.” The first offers best practices and the second explores roles and how they function in complementary ways for greatest effectiveness. This information sets the stage for an in-depth discussion of the norms of conduct that the council wishes to embrace.

Some councils may find it useful to see codes or policies developed by other cities and borrow specific guidelines that best fit their current situation. Other councils may wish to begin “from scratch” by brainstorming the principles, standards and behaviors that they expect — and draft the code of conduct after the session. Either way is acceptable.

Don’t attempt to edit the document to perfection in the group setting. After the session, have your best writer polish the draft and bring it back for formal adoption at the next regularly scheduled council meeting. This gives the community a better chance to weigh in and take note of how the council is committing to carry out the public’s business.

Code of Conduct Models and Examples

Avoid attempting to address every eventuality. If the document is too dense, it will be ignored. Keep it general, in the council’s words and in terms that everyone can easily grasp. The following examples offer some typical elements, but this list is not intended to suggest that a code of conduct would include all of these elements.

- Demonstrate honesty and integrity in every action and statement;
- Inspire public confidence in our city government;
- Work for the common good, not personal interest;
- Respect the proper roles of elected officials and city staff in ensuring open and effective government;
- Disagree agreeably and professionally (use appropriate language, tone, nonverbal gestures, etc.);
- Share information and avoid surprises;
- Approach the business of governing in a professional manner — conduct business in a way that brings honor to the institution of government;
- Praise in public, criticize in private;
- Work together as a body, modeling teamwork and civility for our community;
- Communicate through the city manager;
- Prepare in advance of council meetings, be familiar with issues on the agenda and ask questions of the city manager before the meetings so everyone can be fully prepared when the meeting occurs;

- Fully participate in city council meetings and other public forums while demonstrating respect, consideration and courtesy to others;
- Participate in scheduled activities to increase council effectiveness;
- Share information with other council members about committee meetings attended;
- Work for win-win — strive for consensus and seek common ground; and
- Honor “discussion” before “decisions” — delay making formal motions until initial discussions have taken place.

Commitment and Accountability

The council’s determination of how it will enforce the code of conduct — informally and/or formally — is just as important as the principles expressed in the code of conduct.

Enforcing the code can take the form of a personal pledge to behave consistently with its policies and to gently remind one’s peers if they are straying from the joint commitments in the code. It may also involve more formal actions like censure under prescribed rules. Regardless of the enforcement method, council members should not expect the city manager or city attorney to do it for them; imposing this expectation on staff is unreasonable.

Annual Self-Assessment: Reflection, Learning and Continuous Improvement

It is absolutely essential that the council meet at least once a year to take stock and evaluate how it is performing with respect to the code of conduct. This process provides a chance to discuss what is working well, identify areas for improvement, examine what should be emphasized and clarify what needs to stop if the council is to function for the greatest community good — and build trust and confidence in the city. It may be useful to consider recent successes and how they were achieved. Conversely, clear-eyed diagnosis of setbacks — without devolving into blaming and finger-pointing — is important. Skilled neutral facilitation is key to making this happen. Again, in such discussions, a little team building can go a long way.

The follow-up meeting is also the time to consider amendments to the code of conduct as needs arise or understandings evolve. Debrief afterward to improve the next session; these governance tuneups should become easier and more meaningful over time. This annual exercise should be considered as important as the evaluation of the city manager. It is critical governance hygiene.

The Bottom Line

Ethics is the bedrock on which strong cultures are built. A code of conduct can help shape a civil and effective governance culture.

Related Resources

[The “Front Page” Test: An Easy Ethics Standard](#)

[#MeToo 2.0: A Guide to Help Navigate New Workplace Harassment Laws](#)

[It Starts With Civility: Elected Officials’ Role in Attracting and Retaining Employees](#)

[Transitioning to Districts and Sustaining Effective Governance as a Council](#)

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- B) Individual Directors shall have no power to act for the San Lorenzo Valley Water District, or the Board of Directors, or to direct District staff, except as authorized by the Board of Directors.
- C) Until a quorum is present there can be no meeting of the Board of Directors. The presence of a minimum of 3 Board members is required to constitute a quorum of the Board of Directors.

3. CODE OF ETHICS AND CONDUCT

The Board of Directors of the San Lorenzo Valley Water District is committed to providing excellence in legislative leadership that results in providing the highest quality services to its constituents. The Board of Directors is expected to maintain the highest ethical standards, to follow District policies and regulation, and to abide by all applicable local, state and federal laws. Board of Directors conduct should enhance the integrity and goals of the District. In order to assist in the governing of behavior between and among members of the Board of Directors, the following rules shall be observed:

- A) The dignity, style, values and opinions of each Director shall be respected.
- B) Responsiveness and attentive listening in communications is encouraged.
- C) The needs of the District's constituents shall be the priority of the Board of Directors.
- D) The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to staff members of the District.
- E) Directors should commit themselves to emphasizing the positive.
- F) Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
- G) Differing viewpoints are healthy in the decision-making process. Individual Directors have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action and not to creating barriers to the implementation of said action.
- H) Directors should practice the following procedures:
 - 1. In seeking clarification on informational items, Directors may directly approach the District Manager to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.

2. In handling complaints or inquiries from residents and property owners of the District, said complaints should be referred to the District Manager and may be followed up by the Board of Directors.
 3. In handling items related to safety concerns, hazards should be reported to the District Manager. Emergency situations should be dealt with immediately by seeking appropriate assistance.
 4. In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition, sale or development, finance, and programming, said concerns should be referred directly to the District Manager.
- I) When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Manager.
 - J) The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.
 - K) When responding to constituent requests and concerns at board meetings, the Board President's discretion determines the amount of time for comments. Specific questions or concerns will be directed to the District Manager for future action by the Board or staff. Directors should be courteous, responding to individuals in a positive manner and routing their questions through appropriate channels and to responsible management personnel.
 - L) Directors should develop a working relationship with the District Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.
 - M) Directors should function as a part of the whole. Issues should be brought to the attention of the Board of Directors as a whole, rather than to individual members selectively.
 - (N) Members' interaction with public, press or other entities must recognize the limitation of any Board member to speak for the Board except to repeat explicitly stated Board decisions, while respecting the right of Board members to express individual opinions.
 - O) Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
 - P) The Board will further inform itself, individually and collectively, through ongoing outreach to determine community wishes and through continuing education on issues relevant to the District.
 - Q) Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.



Scotts Valley Water District Board Best Practices

Adopted July 10, 2014

Revised June 20, 2019

1. Introduction

The Scotts Valley Water District (District) Board of Directors (Board) and the General Manager understand the importance and value of a positive and constructive culture to the overall performance of the District. This culture in large part is a product of the District's strategic vision and the goal of performing as a "Best of Class," both individually and organizationally. Whether in the capacity of a Director or as an employee, our primary responsibilities are to serve the District's customers and support the community.

The Board has adopted District mission, vision, and strategic goals to set the direction for operating activities, which are guided by policies and procedures including the Board Best Practices. In order for the Board to function in an effective manner, it is important that Directors understand their respective roles and relationship to other Directors and the General Manager. This also requires an understanding of the level of performance necessary to carry out the duties of a Director.

This document is intended to serve as an internal document to provide general guidelines and principles relating to the activities of the Board and the Directors.

2. Role of the Board

The primary role of the Board is to establish policies that guide the District to fulfill its mission. The policy decisions of the Board constitute the "action" of the Board. As such, each Director is strongly encouraged to support the actions of the collective Board even when there may be individual opinions.

The Board has three (3) major responsibilities:

- (1) Promoting the interests of the District's customers by establishing policies that support the vision and mission of the District and by ensuring the implementation of those policies. Policies include the governing principles, plans, programs, and other overarching actions of the organization. Policy-making is the process of visionary planning and should reflect the broadest possible principles and provide parameters within which staff can operate. Policy-making sets the overall direction for the District.

- (2) Overseeing the fiscal health of the District. The Board establishes policies that support fiscal stability and the effective use of District funds. In order to achieve this, each fiscal year the Board approves a budget covering the anticipated revenues and expenditures of the District. In addition, the Board establishes and monitors cash reserves and investment policies.
- (3) Hiring a General Manager to manage the day-to-day operations of the District. The Board holds the General Manager accountable for the effective operational management of the District. It also has a responsibility to properly evaluate the General Manager on a periodic basis.

General Guidelines

- The Board provides policy direction and leadership for the District.
- The Board supports decisions (from a policy perspective) which are in line with a progressive, innovative, and well-managed organization.
- The Board exercises authority only as a Board.
- The Board understands and provides leadership in regional, state, and national issues affecting the operation and management of the District. Board action is supported by the General Manager as required.
- The Board respects the role of constituents in the governance of the District, encourages their participation, and consults with key stakeholders when and where appropriate.
- Directors recognize and respect the distinctions between the policy-setting role and the day-to-day implementation of policy by staff.
- Directors represent the District in various community and water industry events.
- Directors maintain a high level of communication with the General Manager and notify the General Manager of their unavailability in a timely manner.
- Directors have equal access to information authored and received by the District.
- Directors inform the General Manager of any specific information they want to receive from outside agencies or organizations and are provided such information in a timely manner.
- Directors may request information from District staff by notifying the General Manager of such request provided such request does not cause significant disruption in staff workload. The General Manager determines if it is warranted to include the requested information on the Board or Committee meeting agenda.

3. Principles and Performance Expectations of the Board

- The Board and the General Manager function as a participatory team.
- The Board values a visionary, constructive, and high-energy work environment.
- The Board values open and honest communication with transparent agendas.

- The Board works for the common good of its customers and stakeholders and not for any private or personal interest.
- Directors are expected to review agenda packets and attend Board and Committee meetings prepared to take action as needed.
- Directors practice continued professional development.
- Directors are respectful of each other, District staff, and Board traditions.

The Board recognizes the value of diverse representation as well as shared knowledge and continuity of experience. The District is committed to providing the Directors with appropriate resources to maximize their contributions for the benefit of the District and larger water community. Board Development Guidelines (Appendix A) is a document that delineates the expectations to the Directors along with compensation parameters.

4. Board Compensation

Pursuant to the District Administrative Code, the Directors are entitled to the following:

- Directors fee for attending meetings and events related to District business. The fee amount is consistent with provisions contained in California Water Code and is established by an ordinance of the Board.
- Reimbursement of expenses incurred in connection with carrying out their official duties in accordance with District regulations.
- Group life insurance in the amount of \$10,000.
- Group dental and vision coverage for the Director and his/her dependents.
- Reimbursement of medical insurance premiums for the Director and his/her dependents in an amount not to exceed the District's employees lowest group rate determined annually. This benefit is only available to current Directors seated on the Board as of June 20, 2019 and expires at the end of the current term for each individual Director.
- Reimbursement of medical insurance premiums for the Director and his/her dependents in an amount not to exceed the District's employees lowest group rate for single party plus 50% of either the two-party or family group rate surcharge respectively if the Directors insurance covers a spouse or family.

5. Board Interaction and Communication

- Directors maintain informal and professional relationships among each other.
- Directors refrain from personal attacks against other Directors and District staff.
- Business attire is appropriate at Board meetings and attire appropriate to the event when representing the District at public events.
- Directors are representatives of the District's culture and values at all times, and lead by example in their interactions.

- Directors are knowledgeable of and adhere to the District’s policies.
- When attending meetings or conferences, Directors act as ambassadors and representatives of the District and conform to behavior that always places the District in a positive light.
- Directors will apply the rules governing communications among Directors in compliance with the Brown Act.
- Directors function as a team and are not exclusive in their communications and interactions.

6. Role of the General Manager and Legal Counsel

Role of the General Manager

The most vital relationship in the District is between the Board and the General Manager. The General Manager is the primary agent of the Board and is the individual to whom the Board delegates its authority to manage and administer the District’s daily operations in accordance with policies approved by the Board. This position is important because the District requires leadership and vision that supports the Board’s guidance in order to be successful. In this capacity, the General Manager has two roles: Chief Executive Officer, and principal advisor to the Board. As the most visible employee, the General Manager represents the District to its many constituents.

The success of the strong relationship between the Board and the General Manager depends on a shared sense of purpose, open communication, honesty, and mutual support. Both parties must also understand that the relationship itself is paradoxical with inherent tensions. The General Manager is hired to carry out Board policy directives, while at the same time looks to the Board for guidance and leadership.

One of the most important decisions a Board makes is the selection of a General Manager in whom the Board has confidence. The Board must be able to support the decisions of the General Manager and grant the authority to manage and lead the District.

It is the General Manager’s responsibility to ensure that Directors have the information needed to make Board-level decisions. The General Manager provides the same information to all Directors and will promptly alert them about problems and issues to prevent surprises. Directors expect the General Manager to provide a recommendation on items before the Board.

Board Interaction with the General Manager

- The General Manager devises and proposes periodic performance goals for approval by the Board as a part of the formal performance review process.
- The Board provides the General Manager with constructive feedback during his/her periodic performance evaluation.

- Directors are encouraged to contact the General Manager about any subject related to the operations of the District. Similarly, the General Manager may discuss any District related issue with any Director.
- The Board's questions or concerns regarding overall District operations, specific division issues, or problems with District staff are directed to the General Manager.
- The General Manager implements the Board's policy directions concerning District matters.
- The General Manager informs the Board when he/she will not be available for work-related duties.

Board Interaction with District Staff

- Directors do not direct staff to take a particular action. Requests are made through the General Manager.
- Directors may contact members of the District's executive team with questions related to pertinent District activities. When a Director makes direct contact with staff, the General Manager is advised by staff of the communication. The General Manager is responsible for ensuring that requests initiated by Directors are handled promptly and accurately.
- Critical information about District operations is provided to all Directors in verbal or written (electronic) format by an appropriate staff person with the knowledge of the General Manager.
- Directors make every effort to contact staff prior to a board meeting regarding questions related to agenda items so that staff can provide the most accurate and prepared response. The Board and staff operate by the "No Surprise Rule" regarding information sharing.

District Legal Counsel

- The District's Legal Counsel is selected by the Board and operates as an extension of and in collaboration with the Board, the General Manager, and District staff.
- The Legal Counsel's primary point of contact is the General Manager.
- The Legal Counsel regularly consults with the Board and the General Manager on items of legal concern relating to District operations.
- The District's Legal Counsel may be consulted prior to board agendas being posted publicly.
- When specialized legal expertise is needed, the District's Legal Counsel may recommend the services of an expert legal counsel and oversee the work when necessary.
- The Legal Counsel is proactive in informing and protecting the District and the Board in the performance of its duties and compliance with its legal obligations.
- The Legal Counsel meets with General Manager and Board President periodically to review the performance of the Legal Counsel, establish goals, and review its contract.

7. Selection and Role of the President and Vice President

President of the Board

- The President of the Board is selected by a majority vote of the Board at the last public Board meeting of each calendar year, unless otherwise modified. The newly elected President's term begins at the close of that Board meeting.
- The President remains as one member of the Board and has no rights or authority different from any other Director. The President votes with the Directors and votes last on a Roll Call vote.
- Each President's individual style is unique. Diversity is encouraged.
- The President chairs the meeting of the Board; calls the meeting to order, presides over the meeting, including the conduct of Directors and those in attendance, entertains and repeats all motions properly before the Board, puts motions to a vote, and announces the result.
- The President acts as the ceremonial head or representative of the District at various civic functions.
- The President is the designated spokesperson for the Board to the general public. The President may elect to appoint another Director to serve in this capacity.
- The President makes appointments to all Board Committees.
- To the extent possible, the President advises the Board of any informal communication or correspondence sent or received regarding District business.
- The President regularly communicates with the General Manager and keeps other Directors fully informed on matters of District business.
- The President provides guidance to the Board fairly and impartially.
- The President personally addresses any issues between Directors. Directors and the General Manager will inform the President on any issue or concern brought to their attention.

Vice President of the Board

- The Vice President of the Board is selected by a majority vote of the Board at the last public Board meeting of each calendar year, unless otherwise modified. The newly elected Vice President's term begins at the close of that Board meeting.
- The Vice President remains as one member of the Board and has no rights or authority different from any other Director.
- In the event the position of the President is vacated prior to the expiration of the term, the Vice President becomes the President for the remaining term, unless otherwise directed by the Board.
- In the event of an early vacancy in the position of Vice President, the Board determines, by vote, a replacement for the remaining term.

- The Vice President serves in the capacity of the President of the Board in the absence of the President.

8. Public Interaction

- All customer concerns and inquiries are referred to the General Manager or an appropriate staff member.
- Staff provides the Board with a verbal or written report of all significant customer concerns or inquiries which cannot be handled in a routine manner, along with any response to the concern or inquiry.
- The Board is informed of significant, politically sensitive, urgent and/or repetitive communication inquiries. Staff researches the request as soon as possible and provides the General Manager with the appropriate follow-up and response. The General Manager will review the communication prior to dissemination to the Board.
- Information on an issue that may expose the District to liability is shared with District Counsel and the Board promptly at a properly-noticed closed session meeting.

9. Board Meetings

General

- All noticed meetings are conducted using Robert's Rules of Order. Robert's Rules contemplate constructive meetings and a fair, democratic process.
- The General Manager is responsible for setting the agenda. Any Director may request that an item be placed on the agenda through notification to the General Manager and the President. If a member of the public requests that a matter be placed on the agenda, the General Manager and the President will determine if the item is placed on the agenda or referred to staff or an appropriate committee.
- The General Manager meets with the President to review the agenda and prepare for the upcoming meeting.
- Oral communications are allowed for items not on the agenda, provided that a final decision of the Board on a matter is subject to the agenda requirements set forth in the Brown Act.
- Directors give due respect to all public comments; however they will not respond in a manner that suggests a decision has been made. The President will refer matters that need a decision to the General Manager for follow-up. Directors may ask clarifying questions so that staff are able to provide an appropriate and relevant response. Occasionally, a prompt response may be offered when an obvious answer or resolution is available. Directors will refrain from debating or making decisions in response to public comments.
- The President is responsible for maintaining an orderly progression of business before the Board, and to the extent possible regulates the amount and type of input from the public and from Directors and staff.

- Each Director may speak on an item prior to the vote being taken.
- The Board works diligently to achieve unanimity on all action items. At the request of a Director, and the discretion of the President, prior to a vote where unanimity may not be achieved, the item may be referred back to a committee to consider a resolution to the issue.
- Once an agenda item has been voted on, the disposition is considered as the “action” of the Board and is subsequently supported by individual Directors.
- Directors on the minority side where a less than unanimous vote is cast cannot bring back an item for consideration for one year. A majority of the Board may bring a matter back for reconsideration at any time.

Consent Agenda

- The District utilizes a Consent Agenda to approve routine business matters and previously approved budgetary items.
- If a Director has a question on a Consent Agenda item they are encouraged to contact a staff member for clarification prior to the official meeting, rather than having it pulled for separate discussion during the meeting.
- Written staff reports are prepared for all Consent Agenda items, and staff is prepared to provide a verbal report on any item when necessary.

Closed Session

- All Closed Session discussions and materials are considered legal and confidential information and as such, are not shared outside the Closed Session Conference unless specific action is taken, and then must be reported out of Closed Session. Closed Session staff reports are returned to the General Manager immediately following the meeting. Electronic copies of the reports will not be provided.
- Closed Session meetings may be held at times other than the regular meetings of the Board so long as the meeting is posted pursuant to the Brown Act.
- A Director is expected to refer a request for information regarding a Closed Session item to the General Manager who, in concert with Legal Counsel, will prepare an appropriate response.

10. Role and Responsibility of Standing and Special Committees

- Board committees are given the authority to obtain more information, investigate, and provide a report or recommendation to the Board. The committee format allows the Board to conduct its business more efficiently. Committees serve in an advisory capacity to the Board, except when the Board delegates a matter to a committee for final action.
- A standing committee may be formed, renamed, or have functions changed or terminated with approval of the Board.

- An ad-hoc committee may be formed with approval of the Board and its term expires upon completion of the project or issue for which the ad hoc committee was formed.
- A standing committee consists of two Directors. A committee chair is appointed from the members of the standing committee. Standing committee meetings are open to the public and subject to provisions of the Brown Act.
- Other Directors may attend the meetings of the standing committees; however, the Brown Act prohibits their participation in the meeting because this constitutes a quorum of the Board.
- Upon request of the committee members, the General Manager, or the President, a committee meeting may be scheduled to address an issue requiring attention.
- Staff assists members of standing committees by preparing agendas, staff reports, distributing materials, and performing other support functions as required. Committee members may request staff assistance through the General Manager.
- Copies of committee agendas are made available to the entire Board.
- The committee chair is responsible for providing a report of items discussed and/or recommendations to the entire Board at the next available Board meeting.
- If committee members are in disagreement on a recommendation, the issue is brought to the full Board for consideration.

Appendix A:

Scotts Valley Water District Board Development Guidelines

Purpose

To attract a diverse pool of individuals to serve on the Board of Directors and provide them with appropriate resources to maximize their contributions for the benefit of the District and larger water community.

Expectations to Directors

Anticipated level of commitment, engagement, effort, and energy

Required

- Participate in the New Director Orientation and District Tour in the first 3 months of assuming the office
- Attend Board Committee meetings (typically monthly) as assigned
- Attend Board President Retreat
- Attend other agency/committee meetings (such as Santa Margarita Groundwater Agency, Scotts Valley General Plan Advisory Committee, etc.) as assigned
- Attend Association of California Water Agencies (ACWA), WaterReuse and other industry events (at minimum 1 per year)
- Participate in water related education and training opportunities

Desired

- Attend ACWA Joint Powers Insurance Authority's conference as the District's representative
- Get involved in ACWA Region 5 and ACWA committees
- Attend community events on behalf of the District

Minimum anticipated annual time commitment: 12 evening meetings (2 hours each, not counting preparation), 6-12 late afternoon meetings (1 hour each), 1 day meeting (4-8 hours), 1 out-of-town conference (3-4 days), other events and training (1-2 hours each)

Attributes and Qualities of Directors

- | | |
|---------------------|---------------------|
| • Deliberate | • Dedicated |
| • Insightful | • Respectful |
| • Flexible/Adaptive | • Community minded |
| • Empathetic | • Consensus builder |
| • Analytical | |

Compensation Considerations

- In alignment with District vision and values
- Driven by the expectations to the Directors
 - Sense of responsibility/accountability
 - Prioritization of time
- Support succession planning and reduce barriers to entry
- Provide internal parity and external parity

How We Work Together

Working Together as a Council

- Demonstrate respect for each other
- Appreciate each other and benefit from our diversity of skills, backgrounds, and perspectives
- Help each other to be successful – Be cheerleaders for the City, Council and Staff
- Listen openly and suspend judgment
- Participate as allies - Catch each other doing things right
- Manage ourselves at the dais – Everyone participates, no one dominates
- Govern, not campaign - Think City accomplishments and outcomes
- Adopt a win/win perspective – Be open to compromise
- Set the right tone for the organization and the community - We set the example
- Do the hard political work up front - Don't waste time with rework
- Operate with transparency and without preconceived notions - Allow the deliberative process to work

Council Working with Staff

- Care about the relationship with Staff
- Demonstrate respect and appreciation for Staff
- Treat Staff professionally
- Listen openly and suspend judgment
- Praise in public, criticize in private
- Help each other to be successful – We rise and fall together
- Give Staff a heads up about the information that is needed - Don't play "gotcha" at Council meetings
- Ask questions and get the information we need - Do so constructively
- Stay focused on Council priorities

Staff Working with Council

- Demonstrate respect for Council and Commissions and their governance roles - Help Council and Commissions to be successful
- Develop quality processes and staff work so Council can make quality decisions - Be proactive
- Adopt a Continuous Improvement approach - Learn from the past
- Plan and manage projects effectively – Follow through, measure progress, demonstrate accountability, communicate
- Communicate and engage effectively with the Community

Why “How We Work Together” is Important

- Influences public perception
- Breeds confidence and trust in the City Council and the City Organization
- Contributes to healthy and constructive civic engagement
- Helps to maintain and attract quality professional staff
- Makes serving the public enjoyable
- Enhances the quality of governance and consequently the quality of life of the City of Los Altos
- Creates civic pride and helps build future civic leaders
- Demonstrates that an all-female Council can work effectively together

Some Bridges to Success

- Get past Measure “C”
- Don't let ideological differences get in the way of governing effectively
- Improve communication (this is a multifaceted issue that needs improvement – ranges from minor improvements like more complete titles associated with project (vs. internal project numbers) to proactive public processes for engaging the Community)
- Don't take things personally – it's not about us
- Operate as colleagues, not adversaries
- Take individual responsibility for not getting bogged down at Council meetings
- Lead and act from a Citywide perspective – don't allow progress to get off track late in the process

Enclosure F



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER
DISTRICT
AGENDA
NOVEMBER 5, 2020**

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.

Notice is hereby given that a meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, November 5, 2020, at 5:30 p.m.**, via videoconference and teleconference.

There will not be any physical location for this meeting. Pursuant to the Governor's Executive Order N-29-20 this meeting will be conducted by video/teleconference. The meeting access information is as follows:

To join the meeting click the link below, or type it into your web browser:
<https://us02web.zoom.us/j/82155102585>

Or Dial:

+1 346 248 7799
+1 669 900 6833
+1 929 436 2866
+1 253 215 8782
+1 301 715 8592
+1 312 626 6799

Webinar ID: 821 5510 2585

Agenda documents are available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

1. Convene Meeting/Roll Call:

2. Additions and Deletions to Closed Session Agenda:

Additions to the Agenda, if any, may only be made in accordance with the Ralph M. Brown Act ("Brown Act"), California Government Code Sections 54950 et seq., and in particular Section 54954.2(b) which allows, among other things, additions for which there is a need to take immediate action and the need for action came to the attention of the agency after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if

less than two-thirds of the members are present, a unanimous vote of those members present).

3. Oral Communications Regarding Items in Closed Session:

This portion of the agenda is reserved for Oral Communications by the public for items that are on the Closed Session portion of the Agenda. Any person may address the Board of Directors at this time. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once. Please state your name and town/city of residence for the record at the beginning of your statement. No actions may be taken by the Board of Directors on any Oral Communications presented; however, the Board of Directors may request that the matter be placed on a future agenda.

4. Adjournment to Closed Session:

At any time during the regular session, the Board of Directors may adjourn to Closed Session in compliance with, and as authorized by, the Brown Act, Government Code Sections 54954.5, and 54956.9 et seq.

- a. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager

Closed Session Note:

The Brown Act prohibits the disclosure of confidential information acquired in a closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury. It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions. Only the legislative body acting as a body may agree to divulge confidential closed session information; regarding attorney/client privileged communications, the entire body is the holder of the privilege and only a majority vote of the entire body can authorize the waive of the privilege.

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

6. Report of Actions Taken in Closed Session:

7. Additions and Deletions to Open Session Agenda:

Additions to the Agenda, if any, may only be made in accordance with the Brown Act, California Government Code Sections 54950 et seq., and in particular Section 54954.2(b) which allows, among other things, additions for which there is a need to take immediate action and the need for action came to the attention of the agency after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).

8. Oral Communications:

This portion of the agenda is reserved for Oral Communications by the public on any subject that lies within the jurisdiction of the District and is not on the agenda. Any person

may address the Board of Directors at this time. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once. Please state your name and town/city of residence for the record at the beginning of your statement. Please understand that the Brown Act limits what the Board can do regarding issues not on the agenda. No action or discussion may occur on issues outside of those already listed on today's agenda. Any Director may request that a matter raised during Oral Communication be placed on a future agenda.

9. Unfinished Business:

Members of the public will be given the opportunity to address each agenda item prior to Board action. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. Please state your name and town/city of residence at the beginning of your statement for the record.

- a. CZU WILDFIRE DAMAGE ASSESSMENT REPORT
Discussion and possible action by the Board and staff regarding wildfire related issues.
- b. URBAN WATER MANAGEMENT PLAN
Discussion and possible action by the Board regarding the District's UWMP.
- c. PANORAMA CONTRACT AMENDMENT
Discussion and possible action by the Board regarding an amendment to the Panorama contract.
- d. REDWOOD PARK TANK INITIAL STUDY-MITIGATED NEGATIVE DECLARATION
Discussion and possible action by the Board regarding approval of the IS-MND.
- e. GOVERNANCE TRAINING - MOVING FORWARD
Discussion and possible action by the Board regarding moving forward with governance training.

10. New Business:

Members of the public will be given the opportunity to address each agenda item prior to Board action. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once. Please state your name and town/city of residence for the record at the beginning of your statement.

- a. DISTRICT MANAGER ANNUAL CONTRACT REVIEW
Discussion and possible action by the Board regarding annual compensation adjustment pursuant to the District Manager contract.
- b. HARASSMENT, DISCRIMINATION, AND RETALIATION POLICY POLICY
Discussion and possible action by the Board regarding a new a harassment, discrimination, and retaliation policy for the District.

- c. BOARD MEMBER RESIGNATION
Discussion and possible action by the Board regarding the pending resignation of President Swan and the process to fill anticipated vacancy.

11. Consent Agenda:

The Consent Agenda contains items that are considered to be routine in nature and will be deemed adopted by unanimous consent if no Director states an objection. Any item on the consent agenda will be moved to the regular agenda upon request from an individual Director or a member of the public.

- a. MINUTES FROM BOARD OF DIRECTORS MEETING
OCTOBER 15, 2020
- b. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING
OCTOBER 21, 2020
- b. MULTIPLE USER VARIANCE RENEWALS FOR 2020/21

12. District Reports:

No action will be taken and discussion may be limited at the Chairperson's discretion. The District encourages that questions be submitted in writing (bod@slvwd.com) on items listed in the District Reports. Questions submitted, if any, will be posted in the next available District Reports, along with a reply.

- DEPARTMENT STATUS REPORT
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
 - Engineering
 - Legal
- DIRECTORS REPORTS
 - Director's Communication
 - Future Board of Directors Meeting Agenda Items

13. Written Communication: None

14. Informational Material:

- SLVWD Do Not Drink/Do Not Boil Orders Lifted-Press Banner
10.30.20

15. Adjournment

Certification of Posting

I hereby certify that on October 30, 2020, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on October 30, 2020.

Holly Hossack, District Secretary

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Governance Training
DATE: November 5, 2020

Recommendation:

It is recommended that the Board of Directors review this memo and the attached summary and conclusions from the July 22, 2020, Governance Training Workshop and to give direction to staff.

Background:

This year the District's Board of Directors contracted with Municipal Resource Group in fulfilling a 2018 Grand Jury Report recommendation to hold a workshop on dealing with contentious issues.

The goal of the presenter was to engage the Board in a discussion of good governance and board roles and the best way to work together to best serve the ratepayers of the District.

After the training, several points were discussed for the Board to consider. Those points are as follows:

- Yearly discussion and review of the Code of Conduct
- Manual for new Board Members, the role of a Board member
- Campaigning vs governing, removal of Board member's bios from the District's website
- Create a best practices document
- Adding language to the Code of Conduct, that covers the conduct of the Board, the staff, and the public in Board Meetings.

It is recommended that the Board review, discuss, and give staff direction.



August 5th, 2019

Rick Rogers
General Manager
San Lorenzo Valley Water District
13060 CA-9, Boulder Creek,
CA 95006

Mr. Rogers,

Here is my summary and conclusions from the workshop conducted on July 22nd. I suggest you review and confirm for accuracy. I look forward to presenting this information to the Board on August 6th.

Background:

My firm, Municipal Resource Group (MRG), was contracted to fulfil a 2018 Grand Jury recommendations to hold a workshop on dealing with contentious issues. I suggested framing the workshop around governance best practices, as the current board was not dealing with the same level of public contention as the Board in 2016, and the principles of good governance are always useful and can even help prevent toxic contentiousness. As a reminder, none of the current Board nor the General Manager were part of the 2016 Grand Jury investigation.

Process:

In February, I travelled to Boulder Creek and I spent at least one hour with each individual Board Member. We discussed a variety of topics and I found majority consensus on most topics that we discussed. I spoke, via phone, to District Counsel and of course, spoke at length with the District Manager. I also read the Grand Jury report and memos regarding the report; I read minutes from meetings and did outside research as well.

Ten days before I was set to return to Boulder Creek for the actual workshop, the State closed down for all intents and purposes and we went into a holding pattern.

We delayed scheduling a virtual workshop in the hope that we could still do this in person. It became clear that was not going to be possible, and the Board and GM Rogers wanted to move forward. I commend the Board for pushing forward on this topic.



I designed a workshop much like I would if I were to be in the same room with everyone. It was broadcast as a zoom webinar, and the public was able to attend.

To prepare the Board Members for the workshop, I sent them a number of articles and attachments that I have found very useful both when I was on Council myself and when doing governance workshops for other agencies.

The materials I used were:

- From Western Cities Magazine; *“Exceptional Councils” & “Beyond Ethics- establishing a Code of Conduct to Guide Your Council”*
- Scotts Valley Water District Board Best Practices
- San Lorenzo Valley’s Code of Conduct
- From The Association of Washington Cities; *“Ten traits of effective leadership”*
- From The Municipal Research and Services Center; *“Ten traits of an effective Councilmember”*

I broke the discussion down as follows:

- Attributes of the Ideal Board Member
- Campaigning vs Governing
- Contentious Issues Discussion
- Board Member & Staff Roles defined
- Team Norms

Despite the fact we were doing the workshop via Zoom- we were able to interact in a very natural way. Obviously, it is not ideal and in person would be better.

I hope the public appreciates that while many businesses and organizations participate in these types of exercises, it’s a really different experience to go through it as an elected official. It’s especially challenging because it is done in the public view; so when there are personality conflicts or issues, it is even more uncomfortable than in a business setting. There is also the nature of the “job.” A board member is politically elected; they operate in a political context. Building consensus, coalitions, etc. Typically, at this hyper local level, the best boards and councils aren’t particularly political, but politics can and do enter into the discussion. That’s why I thought it was important to spend some time on “campaigning vs governing”- since there is a campaign coming up.



My goal was to get them to discuss good governance and board roles and the best way to work together in order to best serve the rate payers of San Lorenzo Valley Water. My job was not to discuss specific issues and determine who is right or wrong...

The following were comments from the Board Members that were captured on whiteboards:

The Ideal Board Member:

- Represents everyone in the District- whether they voted for you or not
 - You do not always know who voted or campaigned for *or* against you
- Listens Openly- does not ascribe biases and prejudice
- Avoids premature boards
- Listens without assuming intent of speaker
- Has a History of Community Involvement
- Respects everyone. Respects staff and staff's time
- Experience with water issues; willing to learn

Campaigning VS Governing

- Campaign Promises
- Be aware of fake news
- In a campaign you are trying to win; differentiate between yourself and other candidates or current board; when governing you are trying to find common ground
- You have opponents in a campaign- but everyone thinks they are doing the best for the District
- Campaign is short term; governing is long term
- Governing in public is hard
- You learn when you get elected the amount of time it takes----

Code of Conduct for Meetings

- SLVWD wants to create an atmosphere that avoids contention
- Use the Brown Act to help you
- Let the public speak- don't threaten with arrest
- It's ok to ask clarifying questions during public comments-
- There's a spectrum of how different Board Members deal with pointed criticism;
- Avoid "setting the record straight"- legally ok- but can create contention



Summary of Discussion:

When we talked about dealing with contentious issues, a minority of the board felt that contention is not a bad thing; that it is the board's job to disagree and express those disagreements as part of the job. Contention goes beyond disagreement. Contention creates a toxic environment for Board members, the public, and staff. A majority of this board wants to disagree agreeably and then move on with consensus positions. A majority of the Board wants to engage in civil behavior that promotes public engagement.

When discussing "campaigning vs governing," I pointed out, in my opinion, that the Board Members' bios on the District website were more of campaign statements than simple qualifications. As stated earlier, I am not commenting on the validity of political opinions or campaign goals, but rather suggesting that once a campaign is over, the Board's goals be mutually agreed upon and stated as a body. This is something that the Board could easily change *if* desired.

There was a lot of discussion after lunch regarding the different roles of Board Members and staff. It is a well-established best practice that Board Members decide what is to be done and staff decides how to implement those decisions. There is a perception that some individual Board Members get very involved in the how and directing staff. Direction needs to come from the Board as a whole and at their regular public meeting. Not only does this provide transparency, but it allows staff to better manage the workload.

My initial goal was to have the Board create a "Best Practices" or "Team Norms" for the Board of the San Lorenzo Valley Water District. This document would be slightly different than the Code of Conduct in the Board Policies. The Board was satisfied with their current Code of Conduct and declined to create "team norms."

I recommend adding language to the Code of Conduct that covers the conduct of the Board, the staff and the public in Board Meetings. The purpose is not to limit public participation; but would foster a more conducive and respectful public participation environment. No one on the Board wanted to create any barriers to public participation, which is very commendable. I very much appreciate this and would only suggest that well considered guidelines would actually empower more people. I would also add stronger language to the Board Policies regarding the Brown Act and how it impacts the Board, meetings, and



agenda setting. The Board might consider adopting a new process for adding new topics to the agenda to further demonstrate a commitment to transparency.

Conclusion:

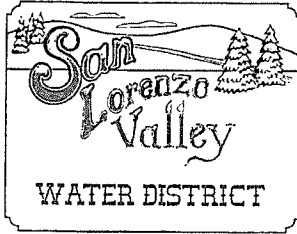
This Board cares greatly about distancing themselves from the behaviors of prior boards. They value the public, staff, and each other. The Board has worked to create a respectful atmosphere in Board meetings, and has even implemented changes that were discussed in our conversations back in February. Defining roles and improving communication between Board and staff is a priority and is crucial in balancing unlimited needs and limited resources. Acting and speaking as a body instead of individuals is crucial in challenging times.

Thank you for the opportunity to work with you all. I look forward to our discussion and can provide any clarification or further assistance.

Yours,

Amy Howorth
Consultant

Enclosure G



SAN LORENZO VALLEY WATER DISTRICT

13060 Highway 9 • Boulder Creek, CA 95006-9119

Office (831) 338-2153 • Fax (831) 338-7986

Website: www.slvwd.com

June 6, 2019

Ms. Peggy Flynn, Foreperson
2018-19 Santa Cruz County Grand Jury
701 Ocean Street, Room 318-I
Santa Cruz, CA 95060
Email: grandjury@scgrandjury.org

Re: Response to Follow-Up Correspondence from Santa Cruz County Grand Jury,
dated April 18, 2019

Dear Ms. Flynn:

The Board of Directors ("Board") of the San Lorenzo Valley Water District ("SLVWD" or "District") is in receipt of your correspondence dated April 18, 2019, which seeks follow-up information about actions taken in response to each of the eight recommendations set forth in the 2017-18 Grand Jury's report entitled, "*Encouraging the Flow of Information to the Public.*" Each recommendation is copied below along with a corresponding status update regarding its implementation.

R1 - Grand Jury Recommendation.

LADOC [short for "Lompico Assessment District Oversight Committee"] should produce an annual report detailing the status of Assessment District revenues and expenditures.

R1 - Status Update.

The LADOC Charter written and adopted by LADOC and approved by the Board on March 21, 2019, establishes a format for the LADOC annual report and states that the report will be completed "as soon as possible after June 30 of each year, presented using preliminary financial data." Thus, the first annual report is anticipated to be completed sometime between June 30 and the end of calendar year 2019. Subsequent annual reports are anticipated to be completed sometime between June 30 and the end of each calendar year.

R2 - Grand Jury Recommendation.

The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in depth information to the public about the timing, funding, and execution of AD projects.

R2 - Status Update.

The District remains committed to scheduling annual workshop-style meetings to review the LADOC annual report following its release. As described above, the first LADOC annual report

is anticipated to be completed sometime between June 30 and the end of calendar year 2019, and the first such workshop-style meeting will follow its release.

R3 - Grand Jury Recommendation.

The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role.

R3 - Status Update.

As stated above, the LADOC Charter was written and adopted by LADOC and approved by the Board on March 21, 2019. A copy of the LADOC Charter is enclosed with this letter.

R4 - Grand Jury Recommendation.

The Board should ensure that LADOC receives adequate professional, technical, and administrative support from the District, as well as the authority to carry out its oversight responsibilities.

R4 - Status Update.

The LADOC Charter confirms the scope of LADOC's authority and the professional, technical, and administrative support to be provided by the District.

R5 - Grand Jury Recommendation.

The District should provide formal training for all LADOC citizen committee members in governance, meeting management, and the Brown Act.

R5 - Status Update.

The LADOC Charter confirms the District's commitment to provide training to LADOC members on topic including Brown Act, Roberts Rules of Order, Conflict of Interest, and any other training as deemed useful and requested by the Committee. The first such training was offered on January 23, 2019, on Brown Act and Ethics, presented by the Chief Risk Officer of the Special District Risk Management Authority.

R6 - Grand Jury Recommendation.

The District should provide formal training about assessment districts to LADOC members and all others involved in the administration of the Assessment District.

R6 - Status Update.

The LADOC Charter confirms the District's commitment to provide training to LADOC members regarding assessment district procedures upon LADOC's request. The LADOC Chairperson has stated that LADOC will agendize the matter of making such a request for discussion and possible action at LADOC's next committee meeting.

R7 - Grand Jury Recommendation.

The District should record all Board and committee meetings, and post the recordings online for public access.

R7 - Status Update.

The District continues to work with Community Television to videotape its regular Board meetings and to make the videos available online to the public. In January 2019 the Board adopted a revised Policy Manual which increases the number of regular Board meetings from one to two per month. This increased number of regular Board meetings reduces the need for special meetings that generally are not videotaped. (Committee meetings are not videotaped

due to resource constraints.) The revised Board Policy Manual also calls for summary minutes rather than action minutes for all public meetings, and such summary minutes provide more information to members of the public not in attendance. The revised Board Policy Manual and examples of minutes in the new format are attached. Also, the District continues to experiment with technology that embeds links to audio recordings of meetings into the minutes.

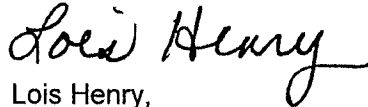
R8 - Grand Jury Recommendation.

The District should provide formal training to all Board and committee members and senior staff on how to communicate with the public on contentious issues.

R8 - Status Update.

The District remains committed to provide training on how to communicate with the public on contentious issues to all Board and Committee members and senior staff. The District has been made aware of potential training resources on this topic, including Jen Davis-Turner consulting, and welcomes any additional suggestions. The District intends to provide such training by the end of this year.

Sincerely,



Lois Henry,
President, SLVWD Board of Directors

cc: Bob Fultz, Vice President, SLVWD Board of Directors
Lew Farris, SLVWD Board of Directors
Bill Smallman, SLVWD Board of Directors
Steve Swan, SLVWD Board of Directors
Rick Rogers, District Manager
Gina Nicholls, District Counsel

Enclosures:

Enclosure A - LADOC Charter
Enclosure B - Board Policy Manual
Enclosure C - Meeting Minutes & Agendas

Enclosure A

4. Duties

To carry out this stated purpose, the Committee shall perform the following duties:

Attend Training. Members are responsible to attend training as outlined under Staff Support, items 7 and 8, and any other training the Committee requests.

Review Expenditures. The Committee shall review the proposed budget produced by the District to a) ensure that Assessment District Proceeds are expended only for purposes as set forth in the Assessment District ballot measure and Engineer's Report. District staff shall provide at least quarterly a report of current revenue and expenses, a year-to-date summary, and continuing beginning-to-date summary overview of AD-16 revenue and expenses.

Review Projects. The Committee shall review quarterly the Lompico Assessment District Improvement/Projects Update report as provided by Staff.

Review Website Items. The Committee shall recommend and monitor items to be placed on the District website, or shall retain a separate website, upon approval by the board, for posting items.

Annual Report. The Committee shall present to the Board an annual written report (the "Annual Report") which shall include the following:

- 1) A statement indicating whether the proposed Assessment District expenditures are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report
- 2) A statement indicating whether the prior fiscal year Assessment District expenditures have been reviewed by the Committee and are in compliance with the requirements as set forth in the Assessment District ballot measure Engineer's Report. Said statement shall include an itemization and summary of the prior fiscal year Assessment District revenues and expenditures. Included in the itemization and summary shall be information on loans related to AD-16, if any, including terms, interest, and balances.
- 3) Any other information the Committee deems is useful for furthering understanding of Assessment District revenue and expenses, projects, funding, history, or purpose.
- 4) *The Annual Report shall be based on the District Fiscal Year, and will be completed as soon as possible after June 30 each year, presented using preliminary financial data.*

5. Authorized Activities

In order to perform the duties as set forth, the Committee may engage in the following authorized activities:

- 1) Make annual and/or quarterly recommendations to the Board on finance and budget matters pertinent to projects funded by the Assessment District.
- 2) Upon request by the Committee when deemed useful, inspect district facilities or timelines and plans for which Assessment District Proceeds have been or will be

Removal; Vacancy. As per District Board Policy, committee members serve at the pleasure of the Board. Upon the removal or resignation of a member, his or her seat shall be declared vacant. The Board shall fill any vacancies on the Committee in accordance with the appointment process that has been set forth. Vacancies shall be filled within 45 days, or as soon as possible.

Compensation. The Committee members shall not be compensated for their services or reimbursed for their expenses.

7. Meetings of the Committee

Regular and Special Meetings. The Committee shall establish a schedule for the date and time of regular meetings and/or special meetings, both as deemed necessary by the Committee, and shall determine when and where they shall meet within the District.

Annual Meetings. The Committee shall establish a date and time for its annual meeting, to be held within the District.

Procedures. All meetings shall be open and public in accordance with the Ralph M. Brown Act (the "Brown Act"). Meetings shall be conducted according to such procedural rules as the Committee may adopt. A majority of the number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

Agendas. The Committee Chair will be responsible for providing a deadline to committee members for agenda items prior to each meeting. Committee members will email their agenda items to the Chair in time to meet the deadline. The chair will prepare agenda items and submit to the District in a timely manner to meet preparation and posting by the District Secretary.

Minutes. The Committee will use the summary form of minutes. All meetings will be recorded. Both minutes and meeting recordings shall be available online at the District website.

8. District Support

The District shall provide to the Committee necessary technical and administrative assistance as follows:

- 1) An oral and/or written review and report by the District Manager, Operations Manager, Finance Manager, or other Staff as requested, of all current financial and construction activity pertaining to AD-16 projects funded by the Assessment District Proceeds, at least quarterly for Committee Meetings, upon request of the Committee for a special or annual meeting or public workshop, or for background information to the Committee.

10. Changes to Guidelines

Any changes to these charter guidelines proposed by the Committee shall require approval by the Board.

11. Termination

The Committee shall automatically terminate and disband when all Assessment District Proceeds are spent and accounted for. The term of the Assessment for AD-16 is ten years, unless otherwise reduced and revised, starting on June 1, 2016.

12. Applicability of California Law

The Committee is established by the District in compliance with the Engineer's Report for Lompico County Water District ballot measure finalized on May 4, 2015, and LAFCo Resolution 953-A for Dissolution and Annexation to San Lorenzo Valley Water District. Nothing in these guidelines shall be interpreted in a manner that is inconsistent with the provisions of this resolution, ballot measure and Engineer's Report.

13. Lompico Assessment District Oversight Committee Ethics Policy Statement

Conflict of Interest. A Committee member shall not make or influence a District decision related to 1) any contract funded by Assessment District Proceeds, or 2) any construction and/or land acquisition project which will benefit a Committee member's outside employment, business, or personal finances or benefit an immediate family member.

Outside Employment. A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to 1) any District contract funded by Assessment District Proceeds, or 2) and District construction and/or land acquisition project. A Committee member shall not make or influence a District decision related to any construction and/or land acquisition project involving the interests of a person with whom the member has an agreement concerning current or future employment or remuneration of any kind. For a period of two years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be

Enclosure B

MODIFICATIONS TO POLICY MANUAL SINCE LAST FULL BOARD APPROVAL

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- B) Individual Directors shall have no power to act for the San Lorenzo Valley Water District, or the Board of Directors, or to direct District staff, except as authorized by the Board of Directors.
- C) Until a quorum is present there can be no meeting of the Board of Directors. The presence of a minimum of 3 Board members is required to constitute a quorum of the Board of Directors.

3. CODE OF ETHICS AND CONDUCT

The Board of Directors of the San Lorenzo Valley Water District is committed to providing excellence in legislative leadership that results in providing the highest quality services to its constituents. The Board of Directors is expected to maintain the highest ethical standards, to follow District policies and regulation, and to abide by all applicable local, state and federal laws. Board of Directors conduct should enhance the integrity and goals of the District. In order to assist in the governing of behavior between and among members of the Board of Directors, the following rules shall be observed:

- A) The dignity, style, values and opinions of each Director shall be respected.
- B) Responsiveness and attentive listening in communications is encouraged.
- C) The needs of the District's constituents shall be the priority of the Board of Directors.
- D) The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to staff members of the District.
- E) Directors should commit themselves to emphasizing the positive.
- F) Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
- G) Differing viewpoints are healthy in the decision-making process. Individual Directors have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action and not to creating barriers to the implementation of said action.
- H) Directors should practice the following procedures:
 - 1. In seeking clarification on informational items, Directors may directly approach the District Manager to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.

4. ETHICS TRAINING

Pursuant to California Government Code section 53234 et seq. or as amended, all Directors shall receive two (2) hours of training in general ethics principles and ethics laws relevant to public service within one (1) year of election or appointment to the Board of Directors, and at least once every two (2) years thereafter. All ethics training shall be provided by entities whose curriculum has been approved by the California Attorney General and the Fair Political Practices Commission. The District Manager and any other employee(s) of the District designated by the Board of Directors shall also receive the ethics training specified herein. The District shall maintain records indicating the name of the entity that provided the training and the dates ethics training was completed. Records shall be maintained for a period of at least five (5) years after the date on which the training was received. These records are public records subject to disclosure under the California Public Records Act.

5. GOVERNING LAWS

The Board of Directors shall comply with and shall be guided by applicable provisions of Federal laws; State laws, including the Water Code, Government Code, Section 1090 of the Government Code, Elections Code and Public Resources Code; this Policy Manual, and the rules and regulations of the District as established by the motions, resolutions and ordinances enacted by the Board of Directors. Motions, resolutions and ordinances may be enacted by the Board in accordance with Water Code section 30523 or as amended.

6. ELECTION OF OFFICERS

There shall be two (2) officers: a president and a vice president, who shall be members of the District Board of Directors. Election of officers shall be held at a Board of Directors meeting in December of each calendar year. Officers will serve for a one (1) year term. Elections will conform to the applicable provisions of this Policy Manual.

7. ROLE OF THE BOARD POWERS, DUTIES AND FUNCTIONS

A) POWERS

The Board of Directors is responsible for the establishment of policy and general control of the District. This broad authority shall be exercised in accordance with all applicable federal, state and local laws and regulations. The Board of Directors may execute any powers delegated by law to the District, and shall discharge any duty imposed by law upon the District.

2. EXECUTIVE FUNCTIONS

The Board of Directors is authorized to delegate any of its powers and duties to an officer or employee of the District. The Board of Directors; however, retains ultimate responsibility over the performance of those powers or duties so delegated.

3. QUASI-JUDICIAL FUNCTIONS

The Board of Directors desires that public complaints be resolved at the lowest possible administrative level. The method of resolving public complaints shall be as follows:

- a. The individual with a complaint shall first discuss the matter with the District Manager. If this individual registering the complaint is not satisfied with the disposition of the complaint by the District Manager, said complaint may be filed with the Board of Directors.
- b. The Board of Directors may consider the matter at a subsequent regular meeting or call a special meeting. The Board of Directors will expeditiously resolve the matter.
- c. This policy in no way prohibits or intends to deter a member of the public from appearing before the Board of Directors to present a verbal complaint or statement in regards to actions of the Board of Directors, District programs or services, or impending considerations of the Board of Directors.

8. ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for the District. Apart from their normal function as a part of this unit, individual Directors may not commit the District to any policy, act or expenditure unless duly authorized by the Board of Directors. Nor may an individual Director direct staff to perform specific duties unless duly authorized by the Board of Directors. Directors do not represent any factional segment of the constituency, but are, rather, a part of the body which represents and acts for the constituency as a whole.

- A) Each Director has the right to place items on a subsequent Board of Directors Meeting, subject to scheduling by the Board president. The deadline for submittal of an agenda item by a Director shall be the preceding Wednesday at 5:00 p.m. before the scheduled Board of Directors meeting date at the office of the District Secretary. Agenda item requests received after the submittal deadline for a specific agenda will be added to the next following regularly scheduled agenda, subject to scheduling by the Board president.
- B) Directors will make every effort to attend assigned Board of Directors and Committee meetings:

C) QUORUM AND VOTING REQUIREMENTS

The presence of three (3) or more Directors shall constitute a quorum for the transaction of District business. No ordinance, resolution or motion shall be passed by the Board of Directors without a majority vote of the Board, unless otherwise required or prescribed by State law. (See for example, Government Code section 54954.2, Board Policy Manual subparagraph K, below.)

D) BOARD ACTION

The Board of Directors shall act only by ordinance, resolution, or motion. Except where action is taken by the unanimous vote of all Directors present and voting, the ayes and noes shall be taken upon the passage of all ordinances, resolutions or motions and shall be entered in the minutes. An ordinance does not require two readings at separate meetings unless otherwise prescribed by law. Unless otherwise provided by its own terms, all ordinances, resolutions and motions shall become effective upon adoption. Any member of the Board of Directors, including the President, can make a motion. Motions require seconds. The President may vote on all motions unless disqualified or abstaining. The President shall not call for a vote on any motion until sufficient time has been allowed to permit any and all members of the Board of Directors to speak. Complex motions should generally be prepared in writing and read aloud to the members of the Board of Directors at the time the motion is made. If a motion is not in writing, and if it is necessary for full understanding of the matter before the Board of Directors, the President shall restate the question prior to the vote. Common motions may be stated in abbreviated form, and will be put into complete form in the minutes. Until the President states the question, the maker may modify their motion or withdraw it completely. However, after the President has stated the question, the motion may be changed only by a motion to amend which is passed by a majority vote of the Board of Directors.

The President of the Board may at any time, during debate or otherwise, declare a recess. Declaration of a recess shall not be subject to any motions.

E) PARLIAMENTARY PROCEDURES

Unless otherwise inconsistent with any provision stated herein, Parliamentary Procedure for Board of Directors meetings shall be based upon the current edition of Robert's Rules of Order Newly Revised. No action of the Board of Directors shall be deemed invalid for the reason that said action was not in conformance with Robert's Rules of Order Newly Revised.

F) ROUTINE BUSINESS

Matters of routine business such as approval of the minutes and approval of minor matters may be expedited by assuming unanimous consent of the members of the Board of Directors and having the President state that without objection the matter will stand approved. Should any Director object to such unanimous consent, the President shall then call for a vote.

3. Public Comment Related to items on the Closed Session Agenda
4. Adjournment to Closed Session.
5. Reconvene to Open Session at 6:30 PM (time-certain).
6. Closed Session report.
7. Additions and Deletions to Open Session Agenda.
8. Public Comment on any topic within the jurisdiction of the District and which is not on the Open Session Agenda.
9. Unfinished Business.
10. New Business.
11. Consent Agenda
12. District Reports
 - a. District Manager Report
 - b. Department Status Reports
 - c. Committee Reports
 - d. Director Reports
13. Written Communications
14. Informational Material.
15. (If applicable) Adjournment to Closed Session.
16. (If applicable) Reconvene to Open Session to Report Actions Taken in Closed Session.
17. Adjournment

K) ADDITIONS AND DELETIONS TO AGENDA

Additions to the Agenda, if any, shall be made in accordance with California Government Code Section 54954.2 or as amended (Ralph M. Brown Act), which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors. If less than two-thirds of the members are present a unanimous vote of those members present is required.

L) PUBLIC COMMENT

The Board of Directors encourages public participation in the governance of the District through public comment periods. In order to present, members of the public must first be recognized by the president.

1. If the Board meeting has a Closed Session agenda, members of the public may comment on or ask questions about the items which are on the Closed Session portion of each agenda. Comments or questions may be submitted in writing or orally. If in writing, the entire written communications will be placed in the minutes. If orally, members of the public may have to up to five (5) minutes (unless time is shortened by the President due to circumstances—e.g., in the event of a large number of people wishing to comment orally) to present to the Board of Directors. The President may extend this time at his or her discretion—e.g., in order to allow for a wrap up of the presentation. Oral comments will be summarized and included in the minutes if the member of the public provides his or her name at the beginning of their comment time.

conducting the meeting may order the meeting room cleared and continue in session. Representatives of the press or other new media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

Changes to this section shall take effect at the next Board of Directors meeting.

M) CONSENT AGENDA

The purpose of a consent agenda is to minimize the time required for the handling of any non-controversial matters. Consent agenda items are considered to be routine and non-controversial, with documentation provided to the Board of Directors that is adequate and sufficient for approval without inquiry or discussion. Any item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public. Unless moved to the regular agenda, the consent agenda shall be voted upon as one single item without discussion or debate.

N) STUDY SESSIONS

Study sessions or workshop meetings are for the purpose of discussing an item(s) that may come before the Board at a later time for official action, to facilitate planning, or discussion of special topics of interest. Study sessions provide a more informal forum for the Board of Directors, staff and the public to engage in open-ended discussion and share information on a particular subject(s). No formal action(s) can be taken at a study session; direction can be given to staff regarding preparation of an agenda item for discussion and possible action at a subsequent meeting. From time to time, study sessions may be duly authorized as deemed necessary by the President or a majority of the Board.

O) WRITTEN COMMUNICATIONS

The Written Correspondence portion of the agenda is established to act as a report of written materials received by the Board as a whole, but may also include items requested for inclusion by individual Directors or members of the public. Written Communications will always be presented in its entirety. Written Correspondence not presented in its entirety will be maintained by the District Secretary for a period of two (2) years.

10. TECHNOLOGICAL CONFERENCING

Teleconferencing may be used for all purposes in connection with any meeting within the subject matter jurisdiction of any legislative body of the District. Teleconferencing is defined as a meeting of a legislative body of the District, the members of which are in different locations, connected by electronic means, through either audio or video, or both. If a legislative body of the District elects to use teleconferencing, it shall comply with all applicable requirements of the Ralph M. Brown Act (Section 54953, or as amended.)

6. Be responsible for the orderly conduct of all Board of Directors meetings.
7. Act as spokesperson for the Board of Directors.
8. Coordinate and prepare the Board of Directors annual evaluation of the General Manager and Legal Counsel.
9. Other duties as authorized by the Board of Directors.

12. VICE-PRESIDENT

When the President resigns or is absent or disabled, the Vice President shall perform the President's duties. When the President disqualifies himself/herself from participating in an agenda item, the Vice-President shall perform the duties of the presiding officer.

13. MINUTES

All Board of Directors meetings and committee meetings will be audio recorded and made available through the District's website. Said audio record shall be subject to inspection in accordance with State Laws, including the California Public Records Act.

In addition, the District Secretary shall record the minutes for Board of Directors meetings and committee meetings which shall also be posted on the District's website.

The minutes shall be of the form of summary minutes and will include the following information: the time the meeting was called to order, the names of the Directors (or, as appropriate, the committee members) attending the meeting, the vote (roll call or voice) on each matter considered at the meeting, the time the Board of Directors began and ended any closed session, the names of the Directors and the names, and titles where applicable, of any other persons attending any closed session, a list of those members of the public who spoke on each matter if the speakers identified themselves, whether such speakers supported or opposed the matter, a brief summary of each Board member's and public members statement during the public comment period for each agenda item (if they identified themselves), and the time the meeting was adjourned. Any person speaking during a public comment period may supply written comments which shall be included in the minutes.

The draft minutes of each meeting shall be available for inspection and copying upon request no later than ten working days after the meeting, unless circumstances prevent meeting that goal in which case the minutes shall be available as soon as possible. The officially adopted minutes shall be available for inspection and copying upon request no later than ten working days after the meeting at which the minutes are adopted, unless

Members of the committees serve at the pleasure of the Board. Each committee shall designate their own chairperson. For the Administrative, Budget & Finance, Engineering and Environmental Committees the chairperson shall be a member of the Board. Each committee may elect a vice- chairperson. Members of committees, including the chairperson and vice-chairperson shall serve until their successors are appointed. The chairperson of a committee is its presiding officer and shall be responsible for communicating the recommendation of the committee to the Board. In the absence of the chairperson, the vice-chairperson shall perform the duties of the chairperson. The chairperson and vice-chairperson are not deprived of any of the rights and privileges of a committee member by reason of being the presiding officer.

A majority of the members of each committee shall constitute a quorum for the transaction of business. Only members of the committee are entitled to make, second or vote on any motion or other action of the committee. Each committee member shall be entitled to one vote on all matters considered by the committee. A simple majority vote of the members of the Committee shall designate approval of a motion.

During the first regular meeting after January 1st of each year, each Committee shall review the District's current Strategic Plan and identify Strategic Plan Elements pertaining to said Committee. The Committee's findings regarding such Strategic Plan review shall be reported back to the Board at the next available regular Board Meeting for discussion and to allow the Board to provide direction back to the committees regarding completion of identified Strategic Plan Elements.

During the first regular meeting after January 1st of each year, each Committee shall prepare a multi-month forward looking calendar of items to be discussed by said Committee. Said calendar shall be no less than a three month look-ahead. Each Committee chairperson shall maintain said look-ahead calendar and submit same to the Board on a monthly basis.

The committee Chairperson shall record summary minutes of each committee meeting. The minutes of each committee meeting and any recommendation of a committee shall include a summary of the information presented.

All committee member absences will be considered by the majority of the committee members to determine whether or not the absence is without cause. Sickness, jury duty, vacation and/or bereavement will be considered excused absences. When three meetings in a row or a total of six meetings in one calendar year are missed the remaining committee members will consider the removal of the individual from the committee. The removal must be voted upon and approved by the majority of the committee members with the exception of the committee member in question.

Vacancies shall be reported to the full Board as soon as practically possible. Vacancies shall be filled by simple majority vote of the Board.

Committee Members shall comply with the obligations and responsibilities of office including the obligation to comply with the disclosure requirements of the Political Reform Act (Form 700). The reporting categories made applicable to the Directors by San

15. MEETING STIPENDS

Each Director may receive compensation as established by resolution of the Board of Directors. Pursuant to California Water Code section 30507, each Director may receive compensation in an amount not to exceed one hundred dollars (\$100.00) per day for each day's attendance at meetings of the Board, or for each day's service rendered as a Director by request or approval of the Board, not to exceed six hundred dollars (\$600.00) in any calendar month.

Consistent with California Water Code section 30507, by resolution of the Board of Directors, the District has established the following per day (daily meeting stipend) for each day's attendance at meetings, as defined herein. Such compensation is in addition to any approved reimbursement for meals, lodging, travel and other expenses consistent with the policies stated herein.

- A) To be entitled to a daily meeting stipend of one hundred dollars (\$100.00), the event in question must constitute one of the following:
 - 1. A meeting of the San Lorenzo Valley Water District Board of Directors within the meaning of California Government Code section 54952(a); or
 - 2. Any meeting attended or service provided on a given day at the formal request of the District Board of Directors, and for which the Board at a public meeting approved payment of a daily meeting stipend.
- B) To be entitled to a daily meeting stipend of twenty five dollars (\$25.00), the event in question must be a meeting of a designated District standing committee within the meaning of California Government Code section 54952(b). Only Directors appointed to the District standing committees shall be entitled to said daily meeting stipend.

16. TRAINING, EDUCATIONAL PROGRAMS, CONFERENCE AND MEETINGS

The Board of Directors has determined that the following provisions shall be applicable to Director training, educational programs, conferences and meetings:

- A) Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Directors may attend, on behalf of the District, such training, educational programs, conferences and meetings as have been approved by the Board of Directors.
- B) It is the policy of the District to encourage Board development and excellence of

distribution to the Board, or make a verbal report during the next regular meeting of the Board. The report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

- I) Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act when more than three (3) Directors attend the same event.

17. EXPENDITURE REIMBURSEMENT

The purpose of this policy is to prescribe the manner in which members of the San Lorenzo Valley Water District Board of Directors may be reimbursed for expenditures related to approved District business. The District shall adhere to California Government Code sections 53232 through 53232.4 or as amended when dealing with issues of expenditure reimbursements for Directors. This policy shall apply to all members of the Board of Directors, and is intended to result in no personal gain or loss to a Director.

Directors may be reimbursed for out-of-pocket expenditure(s) relative to reasonable and necessary costs associated with appropriate District business. The Board of Directors must provide approval for said District business at a public meeting prior to incurring any authorized reimbursement costs.

Directors are eligible to receive reimbursements for travel, meals, lodging, and other reasonable and necessary expenses associated with approved District business. Reimbursement rates shall coincide with guidelines established herein, or rates set by Internal Revenue Service Publication 1542 or its successor publication(s), whichever are greater.

If lodging is in connection with a prior approved event, such lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor. If the published group rate is unavailable, Directors shall be reimbursed for comparable lodging at government or IRS rates.

If travel is in connection with a prior approved event, the most economical mode and class of transportation reasonably consistent with scheduling needs must be used, using the most direct and time-efficient route. Directors shall use government or group rates offered by the event provider of transportation when available. If the group rate is unavailable, Directors shall be reimbursed for comparable travel at government or IRS rates.

Directors shall submit their requests for reimbursement on a form approved by the District Manager. The reimbursement form shall include an explanation of the District-related purpose for the expenditure(s). Receipts documenting all expenditure are required to be submitted in conjunction with the expense report form. Failure to submit necessary receipts will result in denial of the reimbursement claim. Expense reports shall be

If an allegation of sexual harassment against a Director is investigated and found to be supported, the Board of Directors reserves the right to take such remedial action as is appropriate under all of the circumstances, including, if warranted, initiating an action for recall of such Director. The Directors agree that an accusation of sexual harassment against any one of them must be investigated. It is further agreed that such an investigation is not an invasion of their right of privacy.

C) NONDISCRIMINATION

The District shall not unlawfully discriminate against qualified employees or job applicants on the basis of age, sex, race, color, creed, religion, national origin, ancestry, marital status, sexual orientation, physical or mental disability, veteran status, or status with regard to public assistance. Equal opportunity shall be provided to all qualified employees and applicants in every aspect of personnel policy and practice.

All employees are expected to carry out the responsibilities in a manner that is free from discriminatory statements or conduct.

D) REASONABLE ACCOMMODATION-AMERICANS WITH DISABILITIES ACT

Pursuant to the Americans with Disabilities Act, employers have a duty to reasonably accommodate employees and job applicants with known disabilities. This accommodation is not required for individuals who are not otherwise qualified for the job nor is accommodation generally required until the person with the disability requests it. The following optional regulation includes procedures recommended by the Equal Employment Opportunity Commission for use when determining what accommodation to make.

Requests for reasonable accommodation may first be considered informally by the site administrator. If an accommodation cannot be made at the site because it would impose undue hardship or because of a lack of funds, the site administrator shall ask that the request be submitted in writing to the General Manager. The site administrator shall provide the employee or applicant with any assistance he/she may need in order to submit this request.

The duty to reasonably accommodate an individual with a disability is limited to those accommodations which do not impose an undue hardship upon the district.

Undue hardship is determined on a case-by case basis and includes any action that is unduly costly, extensive, substantial, disruptive, or that fundamentally alters the nature or operation of the agency. The burden of proving undue hardship rests with the agency, and what may be an undue hardship for one agency may not be an undue hardship for another, depending on factors such as cost and agency size. Even if cost does pose an undue hardship, the disabled person should have the opportunity to pay for the portion of the cost that constitutes an undue hardship, or to personally provide the accommodation.

- A) Place a public notice advising that a vacancy has occurred in accordance with applicable provisions of law; and
- B) Said notice shall advise prospective candidates of the steps to take to apply for appointment; and
- C) The District's Board of Directors shall establish the closing date for the receipt of applications; and
- D) Applicants shall submit the following, by the date specified in the notice:
 - 1) a letter of interest, and
 - 2) a resume, with particular emphasis on the applicant's knowledge of special districts, and
- E) Applicant(s) shall be interviewed at the next regularly scheduled meeting of the District's Board of Directors following the date of closure for applications; and
- F) The District's Board of Directors shall make the appointment without undue delay, but need not act at the same meeting.

22. INCONSISTENT, INCOMPATIBLE AND CONFLICTING EMPLOYMENT OR ACTIVITIES

Pursuant to the provision of the California Government Code section 1126, the Board of Directors of the San Lorenzo Valley Water District has determined that it would be inconsistent and incompatible for a Board member to be a paid employee of the District. Therefore, based on this decision, a member of the Board of Directors shall not be a paid District employee.

23. DIRECTORS' LEGAL LIABILITIES

The District shall defend and indemnify Directors from any claim, liability or demand that arises out of a Director's performance of his or her duties or responsibilities as a Director or Officer of the District, as provided by Government Codes 825 and 995.

24. INVESTMENT POLICY

San Lorenzo Valley Water District is committed to the establishment of formal policies relative to the prudent investment of the District's unexpended cash. The Board of

Enclosure C

- Within a year, evaluate and select means of making trainings available on a recurring or ongoing basis. (R5)
- Consider creating a role for designated Board and/or Staff members to serve as liaison with LADOC and its chairperson. (R2)
 - Purpose is to help improve communications and the flow of information between LADOC and the rest of the District. (R2)
 - Liaison(s) can help ensure the District is making adequate professional, technical and administrative support available to LADOC. (R4)
- Come up with a mechanism for posing questions about, e.g., the implications of changes to AD-16 projects, and addressing them. (R6)
- To the extent this is not already being done, record all Board and committee meetings and post the recordings online to maximize public access. (R7)
- Fully implement technology that embeds links to audio recordings of public meetings within action minutes within 6 months to a year. (R7)
- Create informational, high-level project summaries for AD-16 projects for posting on the LADOC page of the District's website within a year. (R2)
 - Format and content is subject to Board approval.¹ (R2)

The following action items are to be undertaken after the term of the Ad Hoc Committee will have expired:

- Make the LADOC annual reports available on the LADOC page of the District's website. (R2)
- Schedule annual workshop-style meetings with the Board and LADOC to review the LADOC annual reports, which will include public Q&A, as well as discussion of current information about the timing, funding, and execution of AD-16 projects. (R2)

¹ Implementation of AD-16 projects, including priority, timeline, bidding and design considerations etc., are within the purview of the Engineering Committee and ultimately the Board.

▶ R. Rogers because of increased prices we will be prioritizing projects to get the most important projects done before the assessment funds run out. Projects that don't get done will roll over to the District's capital improvement. He also plans to recommend that the service line change outs on the operations budget.

▶ J. Gomez asked for clarification, the service line and meter change outs were budgeted at almost \$900,000 on the assessment district.

▶ R. Rogers said that is correct and the meters have already been replaced. He feels that the replacement of the redwood tanks is where the funds are going to come up short.

▶ T. Norton said she thinks the tanks are most important.

▶ The Committee and staff discussed the Intertie.

Mary Ann LoBalbo left at 6:14pm

▶ J. Gomez questioned if the Committee needs a motion to accept the reports. It was determined that it is not necessary.

▶ C. Baughman asked about a take permit for the Lewis Tank replacement. Is that an assessment district charge?

▶ R. Rogers said that mostly likely the assessment district will have to have to pay for the mitigation and he believes it is built in to the tank prices.

▶ E. Frech questioned why is copper line is being replaced.

▶ R. Rogers explained that even copper pipe can be damaged. The District won't replace lines that don't need to be replaced.

▶ D. Loewen questioned why, if 200 or 250 of the lines have already been replaced, is the assessment district paying for 500.

▶ R. Rogers explained that number is debatable.

3. Old Business:

A. REVIEW DRAFT COPY OF UPDATED LADOC CHARTER

▶ T. Norton introduced the charter that she and Deb worked on.

▶ J. Gomez feels the charter is not collaborative, would like to see more community involvement. LADOC is not the project managers and that should be specified in the charter.

▶ T. Norton said that they report to a Board, they have no power, they are just an oversight committee and can't be project managers.

▶ D. Loewen said 3 committee members voted not to include anything about project management not being allowed, that's the democratic process. This needs to be approved tonight and sent to the Board.

▶ R. Rogers read that the purpose of the committee is to review and oversee income and expenses related to construction projects for the assessment district. That says it all right there.

▶ J. Gomez it would be good to state that we are not responsible for anything that goes bad in the future.

▶ R. Rogers said you have no responsibility for material used on projects.

▶ S. Hill suggested that you change the wording to say...to inform the Board, at least annually, concerning the revenue and expenditures of the assessment district proceeds on the projects approved by the voters.

▶ E. Frech questioned if Dist. Counsel will look at this.

▶ C. Baughman asked about the language that Debra suggested and wasn't fully flushed out. He suggested you look at that.

▶ L. Henry said most charters don't state what you're not going to do. This is a committee; all you can do is make recommendations to the Board.

▶ R. Rogers said he would look into it. We are working on a new website on the Admin Committee.

▶ T. Norton asked the meetings be posted on Next Door.

▶ J. Gomez for a LADOC Next Door page.

▶ R. Rogers said he didn't think we would do that.

▶ T. Norton requested an email address for ladoc@slvwd.com.

▶ R. Rogers said he would look into a LADOC email. He'll check with Dist. Counsel.

5. Informational Material:

- Minutes from 1.28.19 LADOC Workshop meeting
- Draft of LADOC Charter updated with changes
- Example of agenda with single line charter in header
- LADOC 2nd Qtr. 2018-19 Financial Report

6. ▶ Adjournment 7:35

proposal. He said he took it upon himself to start his own version of the Strategic Plan. He said he should have a draft by next meeting. He said that he thinks that the Board should write the Strategic Plan.

▶ L. Henry said that the problem is that Dir. Fultz can't talk to the Board in private. It was one thing for him to write the Board Policy Manual and she still has an issue with that.

▶ B. Fultz it's not meant to be the end all, it's a draft that people can edit. He doesn't want to spend money with someone that he thinks doesn't do good work.

▶ M. Bruce said that there are other facilitators. She said that she is uncomfortable with any one of the Board members taking ownership of the document. We hire professionals.

▶ S. Swan said he is not keen on another sole source proposal. He thinks Dir. Fultz makes a great effort but he is concerned that it could lead to a violation of the Brown Act. Perhaps he could bring his draft to a workshop for the Board to work on. He said he wouldn't mind giving Dir. Fultz's idea a try. He's in favor of saving the money and having a workshop to work on this.

▶ C. Baughman-Boulder Creek, said whatever process is used, all 5 Board members need work together. Facilitation helps organize the process.

▶ L. Farris-Felton said that review of the Strategic Plan in the packet leads several thoughts to share. Set clear direction over a rolling 5-year period. 1 or 2 pages are all that is necessary. The current plan has too much information. He said it combines strategic with tactical.

▶ V. Champlin-Brookdale said he thinks he likes what he has heard for the most part. The directors are responsible for the plan; they need to own it. Staff can provide help.

▶ L. Henry agrees that the plan should be looked at every year. We need to be looking at the plan.

▶ M. Bruce agrees that the Board needs to own the plan.

▶ C. White said that the Board needs to get out of the weeds. The job of the Board is not to be doing the day to day work. The staff is more that capable.

▶ B. Fultz said he is not prepared to quibble.

▶ R. Rogers said that he does not think that it is the staff's job to write the plan, it's the Board's responsibility. He believes someone from the outside should be hired to work with staff and the Board in a workshop. He thinks you can proceed with Dir. Fultz's idea but it needs to be done in a meeting.

▶ B. Fultz said that he is concerned about walking into the workshop without something to start with. His intention was to prepare a starting point. The Board can decide if they want to use all of it, some of it, none of it.

▶ S. Swan asked if it will be based on the 2016 plan. Let's start with what we do have, keep the good stuff and expand on that.

▶ B. Fultz noted that these situations are frustrating for everyone. He appreciates data. Data patterns show that everything is very consistent. Are the new meters more sensitive to water flow?

▶ R. Rogers you have to know how to read meters, our staff know what to do to find evidence of leaks. They are very slow sometimes. The new meters are much easier to read.

▶ B. Fultz the Badger meter seems to have picked up a leak that was there and wasn't being caught with the old meter.

▶ L. Henry noted that even when her usage goes down, she was using more than one unit of water even though she said she wasn't showering at home or doing laundry at home.

▶ S. Hill said the October 2017 - April 2018 usage was 1 or 2 units, then it went up to 8, 8, 5, 6, 4, 3, 7, 6, 8, 7 so there was something going on.

▶ B. Fultz if she was by herself, as she says, this would be high. Everyone that has a leak needs to understand there is a process we go through. Based on this, I see there is a leak there.

▶ R. Rogers said the leak was in a valve 10 feet from the meter.

▶ M. Bruce questioned if it is possible that her claim is true, in the process of changing out the meter the pipe was cracked.

▶ R. Rogers said the leak was found in an old service line in a valve. At 10 feet in the is enough cover to protect from any force from a meter change. There's not a lot of force put on the meter. He was sure that we have no responsibility.

▶ L. Henry said she hasn't given any proof of paying a plumber. Who is this plumber? There are no receipts.

▶ R. Rogers said the usually when there is a plumber, we meet the plumber as the location.

▶ B. Fultz questioned if there is a possibility this will go to small claims court. He wants to make sure everyone understands that will involve staff time costs.

▶ R. Rogers said that no attorneys will be involved but it could be the better part of a day. He is concerned that more people will files claims if the precedence is set that we pay off.

▶ L. Henry questioned how can Ms. Barrick win in small claims without receipts.

▶ R. Rogers said that it has been his experience that the court wants hard evidence.

▶ S. Swan shared information about a leak at his house in Texas.

▶ S. Hill said that Ms. Barrick was told in December that she had a leak. It was February before she took action. We do have a leak adjustment program.

▶ S. Swan suggested that we offer her some sort of compensation.

▶ R. Rogers said she was offered a leak adjustment and refused.

- d. LOCAL AGENCY FORMATION COMMISSION ELECTION FOR SPECIAL DISTRICT REGULAR BOARD MEMBER
- ▶ L. Henry introduced this item.
 - ▶ R. Rogers read the memo.
 - ▶ B. Fultz noted that there are 3 seats but only 2 are mentioned. (The 3rd seat is the alternate.)
 - ▶ B. Fultz made a motion for the Board to vote for Edward Banks.
 - ▶ S. Swan seconded.
 - ▶ C. Baughman suggested Rachel Lather be the choice of the District. He has a very favorable impression of her.
 - ▶ B. Fultz was equally impressed with Mr. Banks description of business background.
 - ▶ All present voted in favor of the motion. Motion passed.

6. Consent Agenda:

The Consent Agenda contains items which are considered to be routine in nature and will be adopted by one (1) motion without discussion. Any item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public.

- a. REVISED MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING JANUARY 23, 2019
- b. MINUTES FROM BOARD OF DIRECTORS MEETING FEBRUARY 21, 2019
- c. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING FEBRUARY 28, 2019
- d. MINUTES FROM BOARD OF DIRECTORS MEETING MARCH 7, 2019
 - ▶ M. Bruce made a motion to approve the Consent Agenda with the exception of the February 21, 2019 meeting.
 - ▶ B. Fultz seconded.
 - ▶ L. Farris noted that it was the District Counsel that pulled the Consent Agenda from the last meeting so he thinks that the attorney should weigh in.
 - ▶ All present voted in favor of the Consent Agenda minus the meeting on February 21, 2019. Motion passed.
 - ▶ B. Fultz made a motion to approve the minutes from the February 21, 2019 meeting.
 - ▶ S. Swan seconded.
 - ▶ 3 votes in favor, Director Bruce abstained. Motion passed.

- b. 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. H044505, H044800).

- c. 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)

13. Reconvene to Open Session 9:16 p.m.

14. Report Action Taken in Closed Session

12b. 4 - 0 vote. Smallman was absent.

The Board voted in favor of making the 6th District Court of Appeal case
Holloway v. Vierra decision public and to post with the agenda.

12c. 4 - vote. Smallman was absent.

The Board voted to approve the District moving forward with mediation
with all parties in regard to the Vierra and Holloway cases.

15. Adjournment 9:19 p.m.



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
MINUTES
MAY 2, 2019**

Thursday, May 2, 2019 at 5:30 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

1. ▶ Convene Meeting
 Roll Call: Dir. Smallman-absent, Dir. Swan, Pres. Henry, Dir. Fultz-present
 Staff: R. Rogers-District Manager, G. Nicholls-District Counsel, H. Hossack-
 Board Secretary
 R. Rogers said the Dir. Smallman phoned and he will not be able to attend
 Closed Session but will be here for Open Session.
2. Additions and Deletions to Closed Session Agenda: None
3. Oral Communications Regarding Items in Closed Session: None
4. ▶ Adjournment to Closed Session 5:35 p.m.
 - 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. H044505, H044800).
 - 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)
5. ▶ Convene to Open Session at 6:33 p.m.
 Roll Call: Smallman, Swan, Henry, Fultz were all present
 Staff: R. Rogers-District Manager, J. Furtado-Dir. of Operations, S. Hill-Dir. of
 Finance & Business Services, D. Langfield-Engineering Manager, J. Michelsen-
 Environmental Programs Manager, G. Nicholls-District Counsel, H. Hossack-
 Board Secretary
6. Report of Actions Taken in Closed Session: None
7. Additions and Deletions to Open Session Agenda: None

a lot about SMGWA. He went to their first meeting but prefers to spend his time on the SLVWD.

▶ E. Fresco introduced herself. She recently joined the Environmental Committee. She expressed appreciation to Board for appointing her to the committee although she didn't completely agree with the Board. She agreed that infrastructure is the biggest problem facing the District. Stewardship of the watershed is also very important. She doesn't believe in indiscriminate cost cutting. She supports and appreciates the professionalism of the staff. She understands that this job comes with a huge time commitment. What a thankless job! She said she will need to get up to speed on the SMGWA.

▶ B. Hollenbeck introduced herself. She described herself as a fixer, spatial thinker. The rivers mean everything to her. She wants to be on the Board to help make decisions fiscally. As an educator she would like to partner with educational projects. She thinks the biggest issue the District faces is polarization. She works part-time so she has time to contribute to the Board. She said that SMGWA is a countywide mandate to recharge the aquifer. We need to stay vigilant to make changes in perpetuity.

▶ B. Largay introduced himself and shared his experience and background. He believes that transparency is important for the Board. Water rates are also very important. Good wages important to get and keep staff. Bryan said that service to community is important to him. He thinks the biggest challenge is the bullseye on the Santa Cruz Mountains with our rainfall amounts. We need to keep an eye on what we've got and protect our resources. He has a full time job and kids in schools so he is concerned about the time commit. SMGWA is a coordinated management effort with neighboring districts and it is essential to good resource stewardship. Conjunctive use will be very important in the future.

▶ L. Summers introduced herself and her background. She described herself as a social liberal but fiscal conservative. She said she has volunteered for many years and wants to do something important in the community. Infrastructure is the biggest problem in the District in her opinion. She is retired and has time available. She said that she attended all 3 meetings of the SMGWA in Felton is a valuable asset that this District needs to be a part of.

▶ V. Wright introduced herself and her background. She said that her heart is here in the Valley. She has a lot of skills in community engagement and she would like to make a contribution. She thinks that the biggest issue for the District is pulling everyone together. She said she is working from home so she has time. She doesn't know much about SMGWA but has worked with joint agencies in the past.

▶ L. Henry said she is overwhelmed with the fantastic candidates. It's going to be a tough decision.

▶ Unidentified woman said Beth Hollenbeck is a natural leader and spoke in favor of appointing Ms. Hollenbeck to the Board.

10. Unfinished Business:

a. UPPER ZAYANTE STREAM WOOD ENHANCEMENT PROJECT
COOPERATIVE AGREEMENT

▶ J. Michelsen introduced this item. SLVWD, the City of Santa Cruz, the RCD, the County of Santa Cruz, NOAA, & California Fish & Wildlife have been working together on an upper Zayante watershed project. She introduced Lisa Lurie from the RCD.

▶ Lisa Lurie, Executive Director with the Resource Conservation District presented the project. She introduced Matt Weld the project engineer on the project and Kelli Camara the technical director.

▶ Matt Weld continued the presentation.

▶ Lisa Lurie summarized the presentation.

▶ R. Rogers said that the agreement was addressed through legal counsel. Staff recommends executing the cooperative agreement.

▶ G. Nicholls said that the language was vague and didn't fit well with these circumstances. The main changes that were made were (1) to try to clarify the District's role and that the District isn't involved in the construction of the project, (2) on the indemnity front, there was originally indemnification by the District for others involved on the project. That has been modified to fully indemnify the District because we are not involved in the construction. Then there is mutual indemnity for things that occur after construction and apart from the construction where a 3rd party may be involved.

▶ R. Rogers noted that maintenance will not be much, if any.

▶ B. Fultz said he wants the project to go forward. He said he is confused about what is the District's responsibility with respect to the conservation plan and maintenance, specifically.

▶ L. Lurie explained that the practice standards are included on the last 2 pages of the document. That includes the maintenance obligations.

▶ B. Fultz it says periodically check roads for erosion. What are we signing up for with this?

▶ J. Michelsen monitoring erosion on road is part of the District's ongoing maintenance operations in the watershed. Annual inspections are made for maintaining our land.

▶ K. Camara said that the RCD will be taking on monitoring 3-5 years.

▶ L. Henry would like to move forward on this.

▶ B. Fultz said he has a couple specific amendments he would like to make.

▶ G. Nicholls said the Board would have to give staff direction to request an amendment

▶ B. Fultz said he thinks there are some clarifications. For example, authorized participation of projects, if the cooperators or their agents do not

- c. BOARD AND PUBLIC MEMBER COMMITTEE ASSIGNMENTS
- ▶ L. Henry requested that this item be moved to next meeting.
 - ▶ R. Rogers said nothing is pressing, we can wait.
 - ▶ R. Rogers revisited this item. We have openings on committees for public members. He would like approval to move ahead with advertising.
 - ▶ The Board agreed.
 - ▶ G. Nicholls said that since this item was addressed, public comments should be allowed.

11. Consent Agenda:

- a. MINUTES FROM BOARD OF DIRECTORS MEETING MARCH 21, 2019
- b. MINUTES FROM BOARD OF DIRECTORS MEETING APRIL 18, 2
 - ▶ G. Nicholls said you don't have to vote on the minutes just make sure no one wants them pulled.

12. Written Communication:

- o Letter from J. Ricker-Steelhead Monitoring
- o Email from J. Jankovitz-Steelhead Monitoring
- o Letter A. Ingham-Steelhead Monitoring
- o Letter from C. Berry-Zayante Stream Wood
- o Letter from Felton Library Friends
- o Letter from J. Ricker-Zayante Stream Wood
- o Resignation from J. Wright
- o Resignation from J. Gomez
- o Email from B. Burt

13. Informational Material: None

14. ▶ Adjournment 10:11

Enclosure H



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER
DISTRICT
AGENDA
January 7, 2020**

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.

Notice is hereby given that a meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, January 7, 2020, at 5:30 p.m.**, via videoconference and teleconference.

There will not be any physical location for this meeting. Pursuant to the Governor's Executive Order N-29-20 this meeting will be conducted by video/teleconference. The meeting access information is as follows:

To join the meeting click the link below, or type it into your web browser:

<https://us02web.zoom.us/j/83458174529>

+1 669 900 6833
+1 346 248 7799
+1 253 215 8782
+1 312 626 6799
+1 929 436 2866
+1 301 715 8592

Webinar ID: 834 5817 4529

Agenda documents are available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

1. Convene Meeting/Roll Call
2. Additions and Deletions to Closed Session Agenda:
Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).

3. Oral Communications Regarding Items in Closed Session:

This portion of the agenda is reserved for Oral Communications by the public for items which are on the Closed Session portion of the Agenda. Any person may address the Board of Directors at this time, on Closed Session items. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. No actions may be taken by the Board of Directors on any Oral Communications presented; however, the Board of Directors may request that the matter be placed on a future agenda. Please state your name and town/city of residence at the beginning of your statement for the record.

4. Adjournment to Closed Session

At any time during the regular session, the Board may adjourn to Closed Session in compliance with, and as authorized by, California Government Code Section 54956.9 and Brown Act, Government Code Section 54950. Members of the public will be given the opportunity to address any scheduled item prior to adjourning to closed session.

- a. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager

Closed Session Note:

The Brown Act prohibits the disclosure of confidential information acquired in a closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury. It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions. Only the legislative body acting as a body may agree to divulge confidential closed session information; regarding attorney/client privileged communications, the entire body is the holder of the privilege and only a majority vote of the entire body can authorize the waive of the privilege.

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

6. Report of Actions Taken in Closed Session

7. Roll Call (Open Session):

8. Additions and Deletions to Open Session:

Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).

9. Oral Communications:

This portion of the agenda is reserved for Oral Communications by the public on any subject that lies within the jurisdiction of the District and is not on the agenda. Any person may address the Board of Directors at this time. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once. Please state your name and town/city of residence for the record at the beginning of your statement. Please understand that the Brown Act limits what the Board can do regarding issues not on the agenda. No action or discussion may occur on issues outside of those already listed on today's agenda. Any Director may request that a matter raised during Oral Communication be placed on a future agenda.

10. Unfinished Business:

Members of the public will be given the opportunity to address each agenda item prior to Board action. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. Please state your name and town/city of residence at the beginning of your statement for the record.

- a. BOARD MEMBER COMMITTEE APPOINTMENTS AND BOARD LIAISON TO THE LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE
Discussion and possible action by the Board regarding the committee appointments of Board members and the Board Liaison to LADOC for 2021.
- b. PUBLIC COMMITTEE MEMBERS FOR 2021
Discussion and possible action by the Board regarding the appointment of Public Committee Members and setting the first committee meetings for 2021.

11. New Business:

Members of the public will be given the opportunity to address each agenda item prior to Board action. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once. Please state your name and town/city of residence for the record at the beginning of your statement.

- a. BROWN ACT TRAINING
Discussion and possible action by the Board regarding Brown Act Training.
- b. DISTRICT PROJECTS UPDATE
Discussion by the Board regarding the District projects.

12. Consent Agenda:

The Consent Agenda contains items that are considered to be routine in nature and will be deemed adopted by unanimous consent if no Director states an objection. Any item on the consent agenda will be moved to the regular agenda upon request from an individual Director or a member of the public.

- a. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING
NOVEMBER 10 2020
- b. MINUTES FROM BOARD OF DIRECTORS MEETING
NOVEMBER 19, 2020

13. Written Communication:

- Letter to Board - J. Ackemann

14. Informational Material:

- THEY'VE SEEN FIRE - LA Times
- SLVWD INCHES CLOSER - Press Banner 12.4.20
- MOUNTAIN RESIDENTS BRACE FOR RAINS - SC Sentinel 12.20.20
- BCFPD READIES FOR DEBRIS FLOWS-Press Banner 12.25.20

15. Adjournment

Certification of Posting

I hereby certify that on December 30, 2020, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on December 30, 2020.

Holly Hossack, District Secretary



TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, District Counsel

DATE: January 7, 2021

RE: Brown Act Training
502665-0001

SUMMARY:

This memorandum and the attached Brown Act presentation (Attachment A) provide an update on recent legislation providing guidance on how elected officials may communicate on social media without violating the Brown Act. On September 18, 2020, Governor Gavin Newsom signed Assembly Bill 992 (AB 992). AB 992 is the first amendment to the Brown Act to specifically address the use of social media by local officials.

Under AB 992, members of a legislative body may not respond *directly* to any communications posted on the internet *by other members of the same board or committee*. *Under this prohibition*, even giving a “thumbs up” to another member’s social media post on a topic within the District’s subject matter jurisdiction could violate the Brown Act.

BACKGROUND:

The Brown Act generally requires that a legislative body’s meetings be open and public, including advance notice, posting of the agenda and accessibility by the public. The Brown Act prohibits a majority of members of a legislative body from meeting outside a properly noticed public meeting to “discuss, deliberate, or take action on an item” that is within the legislative body’s subject matter jurisdiction. (Government Code § 54952.2). This restriction includes “serial” meetings in which members of a legislative body communicate indirectly through the use of intermediaries or through a chain of communications, ultimately involving a majority of a legislative body.

The Brown Act was adopted in 1953, when today’s technological advances could not have been contemplated. The proliferation of social media has made it easier to connect with the public, solicit feedback from constituents, and promote idea sharing within local communities. However, these new avenues of communication have also raised many questions regarding the extent to which technology impacts the Brown Act’s restrictions.

AB 992 was sponsored by Assembly Speaker Pro Tem Kevin Mullin. In describing the motivation and legislative history of the bill, Mr. Mullin stated:

“When the Brown Act was first enacted in 1953, the significant evolution of communication and advent of social media was not on anyone’s radar. When local officials approached me asking for legislation that might clarify how they could better interact with constituents without being in violation of existing policy, I was happy to pursue a solution with AB 992.

AB 992 clarifies that members of a local elected body may engage on social media platforms provided they do not do so in a way that violates the Brown Act. In other words, a majority of members cannot use social media to discuss business of a specific nature among themselves or business that is within the subject matter jurisdiction of that respective legislative body. The bill does not encourage or allow local officials to deliberate without notice on social media, but instead provides structure and clarity to interactions that are most likely already happening online.

Civic engagement is a core principal of democracy. We have evolved from the times when a constituent could only access their local officials by appointment, by attending a Council meeting, or by chance meeting them out and about in the community. To exclude social media participation in the 21st century, does a disservice to the public and undermines transparency. AB 992 helps give citizens nearly full access to their elected officials.”

Mr. Mullin also stated that AB 992 is intended to provide guidance to locally elected officials by setting the same standard as is currently in place under the “community meetings exception” to the Brown Act. The “community meetings exception” to the Brown Act allows a majority of the members of a local agency body to attend an open and publicized meeting held by another organization—such as a neighborhood association meeting, local candidates night, or service club meeting—to address a topic of local community concern.

However, the “community meetings exception” does not permit a board majority to discuss among themselves business of a specific nature that is within the agency’s subject matter jurisdiction. Mr. Mullin stated the goal of AB 992 is to strike “an appropriate balance between encouraging the type of robust civic engagement that is necessary for a healthy democracy and ensuring that local agencies conduct the people’s business openly and publicly.”

DISCUSSION:

AB 992 amends Government Code section 54952.2, by providing direction on what kind of communications public officials may have via social media and what kind of communications are prohibited.

First, AB 992 clarifies that a public official may communicate on social media platforms to answer questions, provide information to the public or to solicit information from the public regarding a matter within the legislative body's subject matter jurisdiction. However, the latter types of communications are only allowed as long as members of the same legislative body do not use any social media platform to "discuss among themselves" official business. According to AB 992 -- "discuss among themselves" includes making posts, commenting, and even using digital icons (e.g., emojis or "likes") that express reactions to communications made by other members of the legislative body.

Second, a single contact between one public official and another normally would not constitute a prohibited serial meeting. However, AB 992's social media prohibitions go further. AB 992 specifically prohibits members of a legislative body from responding "directly to any communication on an Internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body." Consequently, now if one member posts a comment in response to another's social media post about an agency issue, that could be a Brown Act violation, assuming the two serve on the same legislative body.

The bill applies to "internet-based social media platforms" that are open and accessible to the public. AB 992 defines an "internet based social media platform" and allows communication on such platforms without *per se* constituting a serial meeting. AB 992's definitions include the following new key terms:

- An "internet-based social media platform" is any online service that is open and accessible to the public.
- "Open and accessible to the public" means that "members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules."

AB 992 encompasses activity on many types of social media platforms -- including, but not limited to, Snapchat, Instagram, Facebook, Twitter, blogs, TikTok and Reddit. AB 992 accordingly affects social media commenting, retweeting, liking,

disliking, responding with positive or negative emojis and/or screenshotting (photographing) and reposting.

AB 992 clarifies that it ordinarily does not violate the Brown Act just to participate in social media. AB 992 specifically allows the use of "digital icons," i.e., emojis, in discussions on social media.

However, AB 992 also creates a bright-line rule that members of a legislative body may not respond *directly* to any communications posted on the internet *by other members of the same legislative body* regarding a matter within the jurisdiction of the legislative body.

The key take-away is that board or committee members may not respond directly on social media to any other member of the same body – doing so could be considered a serial meeting in violation of the Brown Act. This includes social media commenting, retweeting, liking, disliking, responding with positive or negative emojis and/or screenshotting (photographing) and reposting. The scope of AB 992 is quite broad and may implicate simple actions such as "liking," giving a "thumbs up," or other such written or visual comments on social media.

ATTACHMENTS:

Attachment A – Presentation on Brown Act and Social Media



**Public Presentation for San
Lorenzo Valley Water District:
The Brown Act and Social
Media**

JANUARY 7, 2021

**Presented by Gina Nicholls,
District Counsel**

nossaman.com

THE RALPH M. BROWN ACT

- Prohibits non-public meetings.
- “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of the local agency.”

(Gov. Code, § 54953.)

WHAT IS A MEETING?

- Can be almost any communication by a majority of the members of a legislative body (board or committee) on matters within its jurisdiction.
- Any use of direct communication, personal intermediaries, or technological devices which are employed by a majority of the members of the legislative body to develop a collective concurrence on action to be taken by members of the legislative body.

(Gov. Code, § 54952.2.)

OPEN MEETINGS

- All meetings must be open and public:
 - Public notice via meeting agenda
 - Public access & public comment
- Only matters on the agenda can be discussed.
- Actions and deliberations must be taken openly.

RESTRICTED COMMUNICATIONS

- A majority of the legislative body may not consult with each other outside a properly noticed meeting regarding matters within its jurisdiction.
- Prohibition includes “serial” meetings.
- No exceptions.

UNRESTRICTED COMMUNICATIONS

- Communications not within the jurisdiction of the legislative body.
- Individual contacts or conversations between a member of a legislative body and a staff member or member of the public.
- Contacts or conversations between less than a quorum of the body, unless it becomes “serial.”

SERIAL MEETINGS

- Quorum becomes involved in a communication indirectly, or through intermediaries.
- Can be created by any method of communication:
 - In person
 - Telephone
 - Email
 - Social media
- “Hub and spoke” vs. “daisy chain” .

SERIAL MEETINGS

- Case law and Attorney General have taken a broad view of what is a serial meeting.
- Serial meetings aren't avoided just because communications are public and not "secret."
- E.g., Attorney General has determined that members of legislative bodies can't develop consensus by email even if emails are made public. (84 Ops. Cal. Attny. Gen. 30 (2001))

SOCIAL MEDIA

- Increasingly pervasive.
- Rapidly evolving.
- Law just starting to catch up with Assembly Bill 992, signed into law September 2020.

SOCIAL MEDIA CHARACTERISTICS

- Mix of public and “private” communications, and semi-public/private information sharing.
- Rapid sharing of many kinds of information:
 - Photos
 - Videos
 - “Likes”
 - And more

SOCIAL MEDIA POSITIVES

- Rapid, interactive communication with large numbers of people.

SOCIAL MEDIA RISKS

- Rapid, interactive communication with large numbers of people.

SOCIAL MEDIA RISKS

- For members of local government legislative bodies, there's a heightened potential for Brown Act violations due to serial meetings.

ISN'T SOCIAL MEDIA PUBLIC AND TRANSPARENT?

- Maybe. How well do you understand your privacy settings? Who follows you on, e.g., Facebook, Twitter, Instagram?
- Even when postings are fully accessible to the public, it's not a properly noticed meeting.
- Serial meetings aren't avoided just because communications are public and not "secret."

ASSEMBLY BILL 992

- Codifies some of what we already knew:
 - Members of a legislative body may engage on social media provided they do not do so in a way that violates the Brown Act.
 - Brown Act is violated if a quorum uses social media to discuss among themselves business that is within their subject matter jurisdiction.

ASSEMBLY BILL 992

- So what's new?
 - AB 992 clarifies that public officials may use social media to answer questions, provide information to the public or to solicit information from the public regarding a matter within the legislative body's subject matter jurisdiction;
 - BUT ONLY IF members of the same legislative body do not use any social media platform to “discuss among themselves” official business.

ASSEMBLY BILL 992

- Prohibited “discussion] among themselves” include posts, commenting, and even using digital icons (e.g., emojis, or “likes”) that express reactions to communications made by other members of the legislative body.

HYPOTHETICAL #1

- Board or committee member posts an informational announcement pertaining to District business on his/her personal Facebook page.
- Does the post violate the Brown Act?

HYPOTHETICAL #2

- Board or committee member uses social media to communicate about his/her views about upcoming District business.
- Does this activity violate the Brown Act?

HYPOTHETICAL #3

- Board or committee member uses social media to communicate his/her views about District business with a few constituents who are Facebook “friends” with access to the posts.
- Does this activity violate the Brown Act?

PUBLIC RECORDS

- Written records including emails, etc., related to District business are generally considered “public.” Such records are subject to retention, collection, and public production.
- Seemingly personal or “private” communications, including “private” social media content, may be subject to collection and production in some circumstances.
- “Private” communications may become public.

TAKEAWAYS

- Almost anything a board or committee member writes or says about District business may become public.
- Brown Act can be violated by communications made outside of properly noticed meetings, even if the communications are “public” or published on social media.

TAKEAWAYS

- Never respond to other board or committee members' posts on social media.
- If you're not sure whether social media activity (or anything else) would violate the law, please consult with counsel. Ask before you post!

Questions?

Attachment C

Memorandum

To: SLVWD DM Rick Rogers
CC: SLVWD Board and other LADOC members
(to be presented via agenda at next LADOC meeting)
From: Toni Norton/Current LADOC Chair
Date: 02/25/2021
Re: Grand Jury Request for Update on LADOC issues

Because I have been a member of the Lompico Assessment District Oversight committee since its inception and Chair for most of that time, I thought it would be helpful to offer my thoughts regarding the progress SLVWD and LADOC have made by working together to implement the changes recommended by the Santa Cruz Grand Jury.

Recommendation R1: Lompico Assessment District Oversight Committee (LADOC) should produce an annual report detailing the status of Assessment District revenues and expenditures

The first Annual Lompico Assessment District Annual Report and One page Mailer were approved by the SLVWD Board on 2/20/2020. This first report covered the period from June 1, 2016 through June 30, 2019. It was 34 pages, provided detailed financial information, a letter from the LADOC Chair, an update from the District Manager as to the status of the Assessment District projects, A copy of the Grand Jury Report

and district responses and a Timeline of Lompico Assessment District events, resources and links to pertinent information and even a history of Lompico Water and what led to the merger. Because it took a great deal of time to proof read and ensure the links to referenced sites were accurate it wasn't posted to the SLVWD site until June of 2020. We brainstormed with the Finance Director and District Manager to come up with the best way to get the information out to the AD (Assessment District) customers. It really wouldn't be cost effective to send the entire 34 page report out to every household in the Lompico AD. We finally came up with the idea of sending out a single page, front and back mailer, with a link to the entire report. On one side was a note from the LADOC, the second side was a page pulled from the Annual Report which includes the Assessment Revenues Balance Sheet and a table listing the status of each AD Project, with the Engineering estimate of the cost, the BID and amount spent thus far.

[Link to First Lompico Assessment District Annual Report-2016 through 2019:](https://www.slvwd.com/sites/g/files/vyhlf1176/f/uploads/ladoc_2019_annual_report.pdf)

https://www.slvwd.com/sites/g/files/vyhlf1176/f/uploads/ladoc_2019_annual_report.pdf

Recommendation R2: The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in depth information to the public about the timing, funding, and execution of AD projects

We planned to hold a public meeting to invite discussion of the first Annual Report, but due to COVID and the CZU Lightening Fires the matter was dropped. We held several Annual Report Workshops while we were in the process of designing, researching, debating what should be included and

creating the first Annual Report. Because of Brown Act restrictions we needed to meet somewhere the public would be able to join us. Fortunately the Zayante Fire Department Board graciously approved our request to use the Zayante Firehouse. Although we advertised the meetings and posted signs at the corner of Lompico Rd and Zayante, I don't believe we ever had a public member attend, other than our own spouses. Occasionally a Board member would attend.

R3- The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role

The SLVWD BOD approved the new LADOC Charter on 3/21/2019. It's posted on the SLVWD.com website. You can find the LADOC information on the SLVWD home page, under quick links to LADOC. The LADOC agreed, as we worked to develop the new charter that it would be a fluid document and may require tweaking by future LADOCs from time to time.

Link to LADOC Charter:

https://www.slvwd.com/sites/g/files/vyhlf1176/f/uploads/ladoc_charter.pdf

R4-The Board should ensure that LADOC receives adequate professional, technical, and administrative support from the District, as well as the authority to carry out its oversight responsibilities.

The first almost year and a half was a challenge for LADOC and nothing was accomplished. In November 2019, with the election of three new SLVWD Directors and the appointment of Rick Rogers as District Manager, the support became more than adequate. Our biggest frustration in the first 16 months

was the lack of action to move forward with the Engineering projects and the lack of information and support provided to LADOC to meet our obligations to keep the Lompico Assessment District customers informed about how their annual \$587 (a large investment for most Lompicans) is being spent and to report on the progress of the infrastructure improvements. At the October 19, 2017 BOD meeting Director Margaret Bruce added an agenda item, with the assistance of District Manager Brian Lee proposing either elimination of the LADOC completely or limiting our meetings to once annually and not allowing us to keep meeting minutes! We were very gratified by the number of citizen committee members that spoke up on our behalf. The item was not considered.

We now receive the support we ask for and the DM and Finance Director are present at our Quarterly Finance Meetings. The Finance Director provides Quarterly Finance Reports and a Balance Sheet. She was very helpful in providing EOY reports for each of the three years covered in the first Annual report. She also presents copies of the invoices. DM Rogers provides details about the progress thus far for the AD projects and what progress to anticipate in the coming months.

The District provided many hours of staff support time to assist us in producing the first Annual Report, covering the 3 years. We had every intention of producing the 2020 Annual report by December 2020. Unfortunately, COVID and the CZU Fires hit. We were forced to postpone our August meeting due to COVID until November 2020. In reviewing the minutes for that meeting, I discovered that an incorrect impression was given regarding decisions made. The posted minutes indicated

that we agreed LADOC would meet only twice annually. In fact, we agreed we would reduce our Quarterly Finance Meetings to BiAnnual. The revenues generated by the Assessment District are depleted and future revenues through the end of the 10 year Assessment District period committed. The BOD voted to fund the shortfall for the tanks projects which are almost complete. I will be touring the Tank sites on 2/25 to view the progress and take photos for the 2020 Annual Report.

Although our meetings with the Finance Manager will now be Biannually, LADOC will meet as often as necessary to meet our Charter responsibilities. Another false impression given in the posted November 24, meeting minutes was that when I asked if all projects would be completed, regardless of the fact that our Assessment Funds are depleted, I was told the revenue was depleted. In fact, I was advised by Rick Rogers that he intended to strongly recommend to the BOD that they move forward with all Lompico Projects, other than the refurbishment of the Mill Creek Mill, which was scrapped because Lompico water is now provided via Intertie from SLV. I will be including an agenda item at our next LADOC meeting to correct the minutes. In a recent meeting the BOD decided that all Committees Chairs will be responsible for ensuring minutes are taken and delivered to the District Secretary for posting.

R5-The District should provide training to all Committee members in Meeting Governance, Meeting Management and the Brown Act

All Committee members, at the time attended training on Ethics and the Brown Act. New members need to receive the training. We discussed developing a new member packet, but

need to revisit the topic and decide how to move forward. At the next Board meeting they'll be entertaining the reappointment of current members and a new member. I'll include development of New Member packet and Meeting Governance/Brown Act training on the agenda.

R6- The District should provide formal training about assessment districts to LADOC members and all others involved in the administration of the Assessment District

Both SLVWD Staff and LADOC members researched the existence of Assessment District training. I contacted the county and was told they used to have an expert on Assessment Districts, but he retired. DM Rogers contacted a Consultant firm who said they would develop training for us. We were in discussion about this issue when the CZU Fires and COVID put them on hold.

R7- The District should record all Board and committee meetings, and post the recordings online for public access

It was decided at a recent BOD meeting that Committees Chairs will now be responsible for ensuring minutes are taken and delivered to the District Secretary. I always record the meeting with my phone. I'll check to see if they have some way to convert my Iphone recording to a format they can post online.

R8- The District should provide formal training to all Board and committee members and senior staff on how to communicate with the public on contentious issues

LADOC has not discussed this issue. I will review with the DM, then address with the LADOC after determining how the District/Board plans to manage this recommendation.

Final Statement

The purpose of the Assessment District is to ensure that all necessary infrastructure improvements are completed. With the seating of the board members elected in November 2018 and the appointment of DM Rogers SLVWD began to fulfill the promises made when the merger of LCWD and SLVWD were in negotiations. They promised that if the people of Lompico committed to delivering the \$2.9 Million dollars, which the SLVWD recommended Engineer, estimated the infrastructure improvements SLVWD demanded would cost, then they would immediately prioritize those Lompico projects. The Bond measure failed, but the alternative Assessment District passed. The money was delivered. For almost a year and a 1/2 no progress was made. Thank goodness for Lompico, with the new Board members and Rick Rogers at the helm as District Manager our projects are now very close to completion. However, because of that long delay in starting costs have sky rocketed. What Lompico cares about is clean, fresh, safe, available water. Lompicans want the promises made to be promises kept. So far, things look very good. That is what is important.