

**SAN LORENZO VALLEY WATER DISTRICT
BOARD MEETING MINUTES**

February 7, 2013
7:30 p.m.

CONVENE MEETING/ROLL CALL

Pres. Vierra convened the meeting at 7:32 p.m. Roll call showed Dirs. Brown, Bruce, Prather, Rapoza, Vierra were present. District Manager Mueller, Director of Operations Rogers, Environmental Analyst Herbert, and Legal Counsel Hynes were also present.

MINUTES

MINUTES REGULAR MEETING OF JANUARY 17, 2013

Motion made by Dir. Rapoza to approve minutes for the January 17, 2013 Board of Directors Meeting.

ROLL CALL:

Ayes: Brown, Bruce, Prather, Vierra, Rapoza
Noes: None
Abstain: None
Absent: None

ADDITIONS AND DELETIONS TO AGENDA:

Legal Counsel Hynes stated that Agenda Item 11 should be corrected to read "Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) California Government Code section 54956.9.

ORAL COMMUNICATIONS:

John Fasolas, Felton, addressed the Board regarding the Operations Building lighting motion sensors. Mr. Fasolas stated he would like to see the motion sensors adjusted to increase efficiency and save energy.

Charlene DeBert, Boulder Creek, addressed the Board regarding Closed Session Item 11. Ms. DeBert stated that other water districts provide the location of their water lines, and questioned why the District would not provide her with the same information regarding the water line across her property. Legal Counsel Hynes stated that the District would not provide the information, and that she had been previously informed as to the reasons.

Bruce Holloway, Boulder Creek, addressed the Board regarding incorrect agenda material posted on the District's website. Mr. Holloway stated the Investment Report for the period ending December 31, 2012 was not on the website. Further, Mr. Holloway asked about the status of Strategic Plan and completion date for the annual audit.

Alison Jaehnichen, Zayante, addressed the Board regarding the status of Proposition 50 Project. Manager Mueller stated that today the District has not yet received a Letter of Commitment from

State Public Health Department, and that that the Draft Environmental Review Initial Study should be released within the next few weeks.

WRITTEN COMMUNICATIONS:

The Board received correspondence from:

- a. Santa Cruz Local Agency Formation Commission (LAFCO) regarding a call for nominations for two upcoming LAFCO Special District terms and preference for type of election.

Motion made by Pres. Vierra to express the District’s preference to conduct the upcoming LAFCO election by mail.

ROLL CALL:

Ayes: Brown, Bruce, Prather, Vierra, Rapoza
Noes: None
Abstain: None
Absent: None

- b. Special District Risk Management Authority regarding the upcoming 2013 Board of Directors election and call for nominations.
- c. Arthur Smith regarding a request for support for the LAFCO alternative member position.

CONSENT AGENDA: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

FOREST CARBON SEQUESTRATION PROJECT

Environmental Analyst Herbert provided a background report on the proposed Forest Carbon Sequestration Project. Ms. Herbert stated the Joe McGuire, a Registered Professional Forester with Buena Vista Services, LLC provided the District with a cost estimate of \$45,000 to conduct an inventory, model the data, and manage the project through audit registration. Mr. McGuire had previously estimated total carbon credit volume at approximately 850,000 metric tons of CO2; and that approximately 7% would be eligible for sale. Ms. Hebert reviewed that various estimated annual returns from the sale of carbon credits based upon various sale prices. Dir. Rapoza stated that the District should solicit a RFP from vendors for the inventory services and not authorize a waiver of formal bidding. Dir. Bruce stated that the Pacific Forest Trust had inventoried and registered forest carbon credits. Bob Fultz asked if California business were required to only purchase California Carbon credits.

Motion made by Dir. Bruce to approve Resolution No. 27 (12-13) Approval of District Forest Carbon Inventory Project, as amended to correct the adoption date.

ROLL CALL:

Ayes: Prather, Vierra, Bruce
Noes: Raposa
Abstain: Brown
Absent: None

APPOINTMENT TO EDUCATION PROGRAM ADVISORY COMMISSION

District Manager Mueller stated that with the election of Dir. Brown a vacancy exists on the Education Program Advisory Commission. District staff posted an announcement seeking applicants for the vacancy. In response, the District received one letter of interest from Michael Martin. Dir. Brown requested that this item be continued to a future meeting in order to provide time to speak with Mr. Martin regarding this matter.

BIENNIAL REVIEW CONFLICT OF INTEREST CODE.

Manager Muller stated that the District needs to review its Conflict of Interest Code every two years. Staff stated it has reviewed the District’s current Conflict of Interest Code, and is not recommending any amendments. Bruce Holloway stated that he believed that the District’s investment advisor had a conflict of interest based upon his recommendations for investments. The Board directed Legal Counsel Hynes to review the matter, and continued this item to a future meeting.

AUTHORIZATION TO BID INVENTORY MATERIALS FOR A SIX-MONTH PERIOD

District Manager Mueller recommended that the Board authorize a bid for inventory materials for a period of six-months.

Motion made by Dir Prather to authorize a bid for inventory materials for a six-month period.

ROLL CALL:

Ayes: Brown, Bruce, Rapoza, Vierra, Prather
Noes: None
Abstain: None
Absent: None

GENERAL MANAGER REPORTS:

Bill List Period Ending January 17, 2013

Motion made by Dir. Rapoza to approve the Bill List Period Ending February 7, 2013.

ROLL CALL:

Ayes: Brown, Bruce, Vierra, Prather, Rapoza
Noes: None
Abstain: None
Absent: None

Investment Report Period Ending December 31, 2012

The Board received the Investment Report Period Ending December 31, 2012.

Department Status Reports

The Board received the Department Status Reports.

COMMITTEE/DIRECTOR REPORTS (ORAL):

Dir. Prather reported on the January 7, 2013 Environmental Committee meeting.

INFORMATIONAL MATERIAL:

The Board received informational newspaper articles.

ADJOURNMENT TO CLOSED SESSION:

Pres. Vierra adjourned the regular meeting to Closed Session at 9:37 p.m. for the purpose of:

CONFERENCE WITH LEGAL COUNSEL; ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) California Government Code section 54956.9.

Two (2) potential cases.

RECONVENE TO OPEN SESSION AND REPORT OF ACTIONS TAKEN IN CLOSED SESSION:

Pres. Vierra reconvened the regular meeting at 10:12 p.m. and reported out that:

CONFERENCE WITH LEGAL COUNSEL; ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) California Government Code section 54956.9.

Two (2) potential cases.

No reportable actions.

ADJOURNMENT:

Pres. Vierra adjourned the meeting at 10:13 p.m.



James A. Mueller
Acting District Secretary