



SCOTTS VALLEY WATER DISTRICT

BOARD OF DIRECTORS
PRESIDENT Danny Reber
VICE PRESIDENT Ruth Stiles
David Hodgkin
Ken Kannegaard
Chris Perri

GENERAL MANAGER
Piret Harmon

Board of Directors

Regular Meeting 6:00 p.m.

Thursday, December 8, 2016

Santa Margarita Community Room

2 Civic Center Drive, Scotts Valley, California

Minutes

I. Convene Meeting

I.1. Call to Order and Roll Call

Vice President Stiles called the meeting to order at 6:03 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

ROLL CALL

Present: Hodgkin, Kannegaard (arrived 6:41 p.m. due to medical reasons), Perri, and Stiles.
Absent: Reber.

Fifteen guests were in attendance.

I.2. Pledge of Allegiance and Invocation

Director Hodgkin led the pledge of allegiance and Director Perri led the invocation.

I.3. Closed Session Report

There was no closed session report.

I.4. Additions/Deletions to the Agenda

There were no additions or deletions to the agenda.

I.5. Oral Communications

There were no oral communications.

2. Administrative Items

2.1. Approval of Minutes – 11/10/2016 Regular Board Meeting

Director Hodgkin moved, seconded by Director Perri approval of the 11/10/2016 Regular Board Meeting minutes as submitted.

Motion carried by voice vote:

Ayes: Hodgkin, Perri and Stiles.

Noes: None.

Absent: Kannegaard and Reber.

2.2. Presentation

There were no presentations.

2.3. Committee Meeting Reports

Scotts Valley Water District Board of Directors

Minutes -- Thursday, December 8, 2016

Page 2

2.3.1 Finance & Personnel Committee Meeting Report 11/16/2016

In addition to the written report there was nothing further to add.

2.3.2 Water Resources & Engineering Committee Meeting Report 11/22/2016

Director Perri reported that staff has been working on updating District Rules & Regulations along with the Policies and Procedures.

General Manager Harmon provided an explanation of Ordinances, Resolution, Policies and Programs. The details will moved from the Ordinance to a policy level documents that are adopted by Resolution. The end result will be to make our policies easy for customer to navigate and understand.

3. Consent

No items were on consent.

4. Public Hearings

No Public Hearings were scheduled.

5. General Business Items

5.1. Annual Financial Report for Fiscal Year Ended June 30, 2016

Jonathon Abadesco of Fedak and Brown provided information on the audit process along with the results. The final statements fairly present the financial position of the District as of June 30, 2016. [Click here](#) to view the presentation.

Director Hodgkin reported that the Finance and Personnel Committee has reviewed the financial statements several times throughout the audit process.

Director Hodgkin moved, seconded by Director Perri to accept the Scotts Valley Water District Annual Financial Report for Fiscal Year Ended June 30, 2016

Motion carried by voice vote:

Ayes: Hodgkin, Perri and Stiles.

Noes: None.

Absent: Kannegaard and Reber.

5.2. Refunding Water Revenue Bonds

Director Kannegaard arrived at 6:41 p.m.

Nikki Tallman and Lizzy Emerson of Brandis Tallman, LLC provided information on the Refunding of the Districts 2004 Certificate of Participation (COP) and 2011 Loan with Wells Fargo Bank. Proposals were received from seven financial institutions. JP Morgan Chase Bank was selected and locked in at 1.85% on November 1, 2016. The estimated savings over the term of the loan is 9.59% or about \$713,300. The cost for the refunding is \$68,000 and includes a contingency. [Click here](#) to view the presentation.

Director Hodgkin moved, seconded by Director Perri to adopt Resolution No. 08-16 authorizing the execution and delivery of an installment purchase agreement and

Scotts Valley Water District Board of Directors

Minutes -- Thursday, December 8, 2016

Page 3

escrow agreement to provide funds in the maximum principal amount of \$6,100,000 to refund the 2004 Certificates of Participation and 2011 Loan Agreement, and approving related documents and actions.

Motion carried by roll call vote:

Ayes: Hodgin, Kannegaard, Perri and Stiles.

Noes: None.

Absent: Reber.

5.3. Obtain Pipeline Easement on APN 021-021-36, 104 Whispering Pines

General Manager Harmon provided the staff report and responded to Board questions.

Director Perri moved, seconded by Director Kannegaard to adopt Resolution No. 09-16 authorizing the execution of Easement Agreement obtaining water pipeline easement for APN 021-021-36, 104 Whispering Pines.

Motion carried by roll call vote:

Ayes: Hodgin, Kannegaard, Perri and Stiles.

Noes: None.

Absent: Reber.

5.4. Proposed Changes in Water Rate Structure, Water Rates and Fees and Charges

General Manager Harmon presented information on the Water Rate Study and the proposed increase to water rates, fees and charges.

During the presentation the audience was encouraged to ask questions and provide comments. Directors and staff provided the responses.

[Click here](#) to view the presentation.

No action was taken on this item.

6. Staff Reports

6.1. District Counsel – oral

Legal Counsel Bosso reported that no news is expected until after the first of the year on the Prop 218 cases.

6.2. General Manager - oral

General Manager Harmon reported that November consumption is down 29%.

6.3. Finance

In addition to the written report there was nothing further to add.

6.4. Operations – Oral

Operation Manager McNair reported that the Scotts Valley Transit LID project and the MacDorsa Tank keep moving along albeit slowly (tank coating is humidity sensitive); Well 10 is undergoing rehabilitation: met with Enterprise tenants regarding water efficiency and there is a new requirement for lead testing at public schools.

Scotts Valley Water District Board of Directors

Minutes -- Thursday, December 8, 2016

Page 4

6.4.1 Monthly Well Production, Recycled Water Demand and Rainfall Data

The monthly production and rainfall data was accepted without comment.

7. Individual Directors Reports

Individual Directors Reports – Oral

Director Hodgin reported that he attended the ACWA Fall Conference in Anaheim last week. He reported ACWA/JPIA liability rates went down slightly and that workers' compensation and property rates are stable.

Director Perri reported that he attended the ACWA Fall Conference. He reported that Groundwater subcommittee that he serves on is very popular due to Sustainable Groundwater Management Act. The District's Groundwater Sustainability Committee will be sending out a postcard to engage the 1,600 private well owners in the basin. A meeting is scheduled for February 22nd.

Directors Kannegaard, Reber and Stiles reported that they attended a meeting on water rates held at Bruno's BBQ on November 29th.

8. Written Communications and Correspondence

8.1. Joint Letter from Water Sector to President-elect Trump 11/21/2016

The written communication and correspondence were accepted without comment.

9. Community Relations

9.1. November 2016 eNews

The community relations item were accepted without comment.

10. Closed Session

There was no closed session on 12/08/2016

11. Report on Closed Session and Additional Items

There was no report or additional items.

12. Adjournment

At 8:20 p.m. Director Perri moved, Director Kannegaard seconded to adjourn the meeting until a special meeting scheduled for 6:00 p.m. on Monday December 12, 2016.

Submitted:

DocuSigned by:
Donna Paul
1079981CD1DC41A...
Donna Paul, Asst. to the General Manager

Approved:

DocuSigned by:
Ruth L Stiles
80A644B5ETC1401...
Ruth Stiles, Vice President

Attest:

DocuSigned by:
Piret Harmon
1C236EFF40B44D1...
Piret Harmon, General Manager

STAFF REPORT - GENERAL ITEMS

Scotts Valley Water District

Date: December 8, 2016

To: Board of Directors

From: General Manager

Potable and Recycled Water Demand - November 2016

