

San Lorenzo Valley Water District

Time to Restore Trust between Voters and District

2013-2014 Santa Cruz County Grand Jury

June 2014

Summary

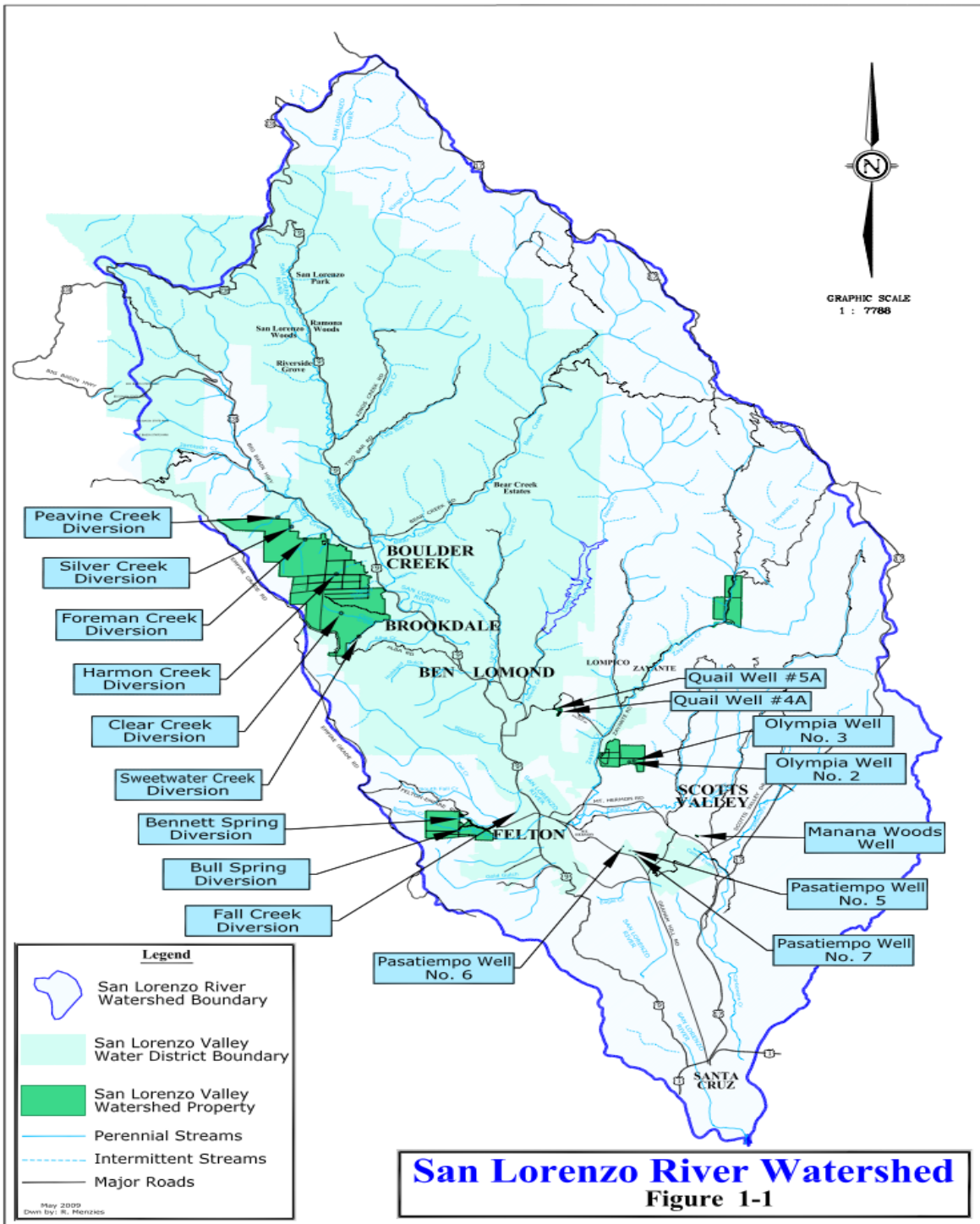
With the ongoing drought in Santa Cruz County, the public has become extremely interested in local water districts and their operations. This year's Grand Jury decided to analyze San Lorenzo Valley Water District (SLVWD). While this District has engaged in several worthwhile endeavors, its lack of transparency has eroded the trust of its ratepayers. In this time of severe drought, and with SLVWD considering a merger with Lompico County Water District (LCWD), active participation with and oversight of the District is essential.

Background

Special districts are governed by their own elected boards of directors. They contract for independent yearly audits and annually report their financial statements to the County Auditor-Controller. The boards must ensure financial solvency and maintenance of the infrastructure of their special districts. SLVWD's management oversight is heavily reliant upon the interaction between the District Manager and Board of Directors.

Management of water resources requires a board that is engaged, a district that is transparent, and an informed public with confidence that the board is looking out for its best interests. In a well-functioning water district, the district manager keeps the board fully apprised of water quality, infrastructure, financial health, and customer concerns. The district manager presents annual budgets, capital improvement plans, and equipment replacement plans to the board for its approval. The board relies on management to provide it with the specifics in all these areas, because the board has responsibility for overseeing all aspects of the district operations.

San Lorenzo Valley Water District was established in 1941.^[1] The District's office is located in Boulder Creek. Its water system includes 150 miles of water mains, most of which are more than 70 years old. As a result, it has aging infrastructure (pipes, pumps, wells, and redwood water tanks). The District has unique infrastructure challenges, including the storage and delivery of water on steep terrain while maintaining adequate water pressure for fire protection.



The District supplies water to 7,300 customers in the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante, Highlands Park Senior Center, Mañana Woods, and Felton. SLVWD also provides water to part of the southwestern portion of the City of Scotts Valley and adjacent areas to the west. SLVWD operates four independent water systems, each of which has its own source of water.

SLVWD water comes from both deep wells and surface water. Surface water comes from the San Lorenzo River and is pumped to water treatment plants. In the last ten years, there have been three mergers of water systems into SLVWD: the Mañana Woods Mutual Water company, the Felton Service Area of the California-American Water Company, and the Olympia Water District. Currently, there is a proposed merger of SLVWD and Lompico County Water District (LCWD). Members from both boards created a list of terms and conditions of the merger on 2/14/14. The merger would provide LCWD with added water sources and improved infrastructure.

When the Board of Directors proposed a 65% water rate increase in 2013, ratepayers, some of whom were already questioning the conduct of SLVWD's senior management and Board, became even more critical of the District's actions.

SLVWD customers are also concerned by the LCWD proposal to merge with SLVWD due to LCWD's serious water and financial problems. The Grand Jury investigated LCWD in 2009-2010, and the Grand Jury's findings and recommendations from that report led to an investigation by the Santa Cruz County District Attorney.^[2] The current Grand Jury wanted to evaluate whether SLVWD senior management and its Board of Directors were taking prudent measures to ensure this merger would not jeopardize SLVWD's operational viability.

Scope

The Grand Jury wanted to know whether SLVWD senior management and Board are operating their District appropriately with respect to the following:

1. Are the finances of the District managed appropriately?
2. Are the operations well-managed?
3. Did the Board violate the Brown Act?
4. Are the operations of the District transparent to the public?

Our work entailed gathering data surrounding SLVWD operations and finances from 2008 through 2013. We also reviewed LCWD merger data. The Grand Jury interviewed SLVWD staff and Board members, attended SLVWD public meetings, and gathered information from newspaper articles, meeting minutes, ordinances, policies and procedures, and audited financial reports.

Investigation

Investment Activity

The District did not have much money to invest until it sold a property in the Santa Cruz Mountains in 2000 for \$10.3 million.^[3] A portion of the proceeds went to buy another property within the District's watershed. The remaining portion was put into an investment portfolio with the principal reserved for land purchases only.

The SLVWD Board delegated authority for management of the investment program to the District Manager pursuant to Resolution 79, adopted 2/1/88. This resolution directed the District Manager to establish written procedures for the operation of the investment program and report investment decisions to the Board. This is contrary to common practice for a board of directors. Normally, a board of directors oversees the investment activities of a company or organization. A board's activities are determined by the powers, duties, and responsibilities delegated to it by an authority outside itself, in this case the voters. These matters are typically detailed in the organization's policies and procedures.

Resolution 79 is still in effect, yet it is contradicted by the SLVWD Board of Director's Policy Manual 2014, which states "The primary duties of the Board of Directors are as follows: ... 3. Be responsible for all District finances."^[4]

The Local Agency Investment Fund (LAIF) is a California State Agency under the State Treasurer's Office that was created as an investment alternative for California's local governments and special districts. The District Manager of SLVWD has placed some District investments in LAIF for short-term purposes, but long-term investments are made with Morgan Stanley. A Morgan Stanley broker consults with the District Manager and provides a range of available investments at the time of a transaction, based on market value. The District Manager then makes the investment choices.

The Grand Jury was told that, in the past, SLVWD's total return on investments exceeded that of LAIF, which is why it had more investments outside of LAIF than most districts. However, some investments were sold prior to their maturity date in order to pay for the District's budget shortfalls, emergencies, and its share of infrastructure projects, resulting in losses. For example, recently there was a loss of about 8% on one \$800,000 investment.

Currently the District's investment portfolio is approximately \$6 million. California Proposition 50 (Prop 50), passed in November 2002, allows for construction of permanent interties between the various parts of the SLVWD.^[5] Once the Prop 50 interties are completed, it is estimated that \$2.5 million will remain in the portfolio.

Government Code Section 53635.8, effective January 2008, limits CDs to 30% of a local agency's investment portfolio. Since 2008, audits had revealed that the District was in non-compliance and held approximately 45% of its portfolio in CDs. At multiple board meetings, a ratepayer brought the District's non-compliance with state law to public attention.^[9] The District's investment portfolio remained in non-compliance for years.

The District acknowledged that it was not in compliance, but pointed out that some of the CDs were acquired prior to Section 53635.8 and that it was coming into compliance by letting the CDs expire. The District indicated that it had more investments than allowed in CDs because they were paying better rates than bonds. As of the last fiscal audit conducted by the District (2011-2012), it was still out of compliance. The Board indicated that it had modified its own ordinances to comply with state regulations and was close to bringing its portfolio into compliance. The District has repeatedly said that the 2012-13 fiscal audit will be completed soon.

The Grand Jury found that the SLVWD District Manager, because of Resolution 79, could engage in investment activity without first consulting the Board. The Board told the Grand Jury that Board oversight had been minimal and that the District Manager made the decisions on investments. In the course of its investigation the Grand Jury was told there were doubts that the Board knew much about the District's investments.

Budget

The Board allowed the District to operate without an adopted budget for 2013-2014 until 3/6/14, when the fiscal year was nearing completion. The Grand Jury was advised that the prolonged absence of the Finance Manager was the reason the budget was not ready on time. The Finance Manager went on medical leave in May 2013, and the District was unable to fill the position until she resigned in early December 2013. We were told that in the absence of a current budget, the District was operating on the prior fiscal year's (2012-2013) budget, with a few exceptions, and termed it a "continuing authorization budget." The Grand Jury was told there was no money in the continuing authorization budget to hire a consultant who could assist in the 2013-2014 budget preparation. The budget was eventually developed primarily by the District Manager.

Infrastructure

Fifteen years ago, the District began a controversial facilities consolidation project called the District Administrative Campus Project. Development started with a \$2.2 million land purchase and called for a \$6 million building plan. The current administration building poses a number of safety concerns, including seismic safety, lack of structural integrity, and non-compliance with building codes and the Americans with Disabilities Act (no wheelchair access). After the land purchase a portion of the property was given a wetlands designation. These issues have led to an increase of projected capital costs to between \$9 and \$12 million. The Grand Jury was told that questions about the facilities consolidation project were dismissed by the majority of the Board.

Additionally, SLVWD is upgrading District infrastructure based on its 2010 Capital Improvement Project. This project identifies Category A (essential) projects, Category B (desirable) projects, and Category C (deferrable) projects (see Appendix B).

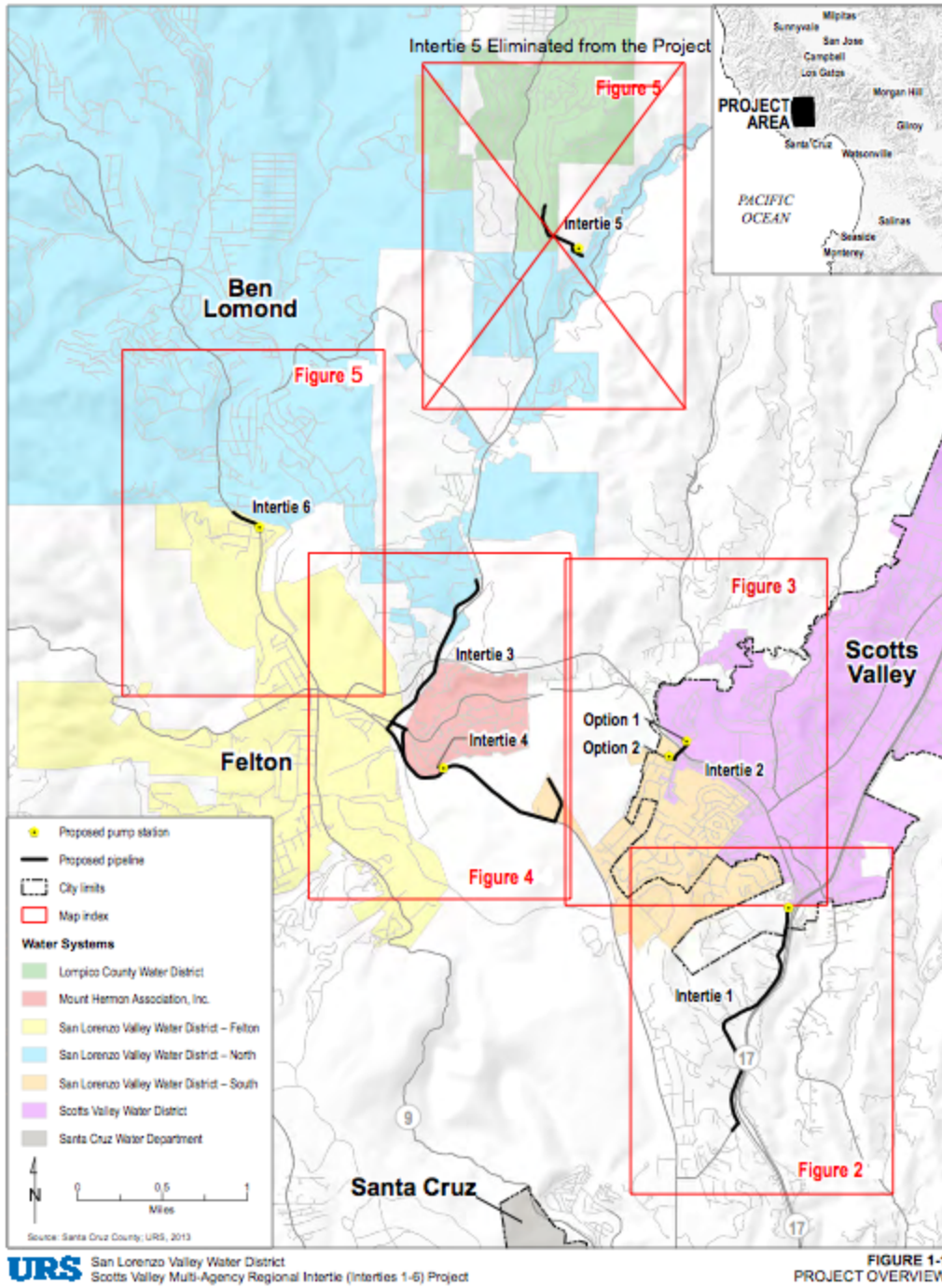
SLVWD requires that before the proposed annexation of LCWD takes place, LCWD must pay for a permanent, non-emergency, Prop 50 intertie which SLVWD will build. SLVWD is still in the process of awarding construction contracts for this and other Prop 50 interties,

so no actual construction has begun. Prop 50 projects require an Environmental Impact Review (EIR). New and upgraded interties will allow SLVWD to move water between systems during emergencies. The other interties will connect the following systems: 1) North and South; 2) South and Scotts Valley; 3) South and the Mount Hermon Association; and 4) Felton and North. Approximately half of the funding for these interties comes from the State and half from SLVWD. (See Appendix A for more detail.)

The District has 47 water tanks, the largest of which has a holding capacity of 3.2 million gallons. The majority hold 100,000 gallons or less. There are at least eight redwood tanks, all of which leak. Ratepayers regularly complain to the Board about ongoing leaks in the District's redwood tanks. They have provided the Board with pictures of the leaking tanks along with other relevant information and have drawn particular attention to one of the worst, the Probation Water Tank. That tank is located in a protected June beetle habitat in Felton near Santa Cruz County Juvenile Hall. At SLVWD Board meetings Grand Jurors attended, Board members and staff chose not to respond to these ratepayers.

The District acknowledged to Grand Jurors that it has received many complaints about the leaking redwood tanks and the slow replacement process. The District pointed out that many problems arise when replacing these redwood tanks. Most of the tanks are located on steep hillsides. A majority of the tanks are elevated, so once the timbers underneath begin to give way the tanks lean. Surveys show that some tanks are not even on District-owned property. Furthermore, geotechnical reviews are required when installing new tanks. The material and labor alone to build a new tank runs about \$300,000-\$500,000.

The District told the Grand Jury that it has plans to replace the Probation tank and said it was on the essential list but the Prop 84 emergency intertie and environmental problems are delaying this \$1.1 million project. A 500,000 gallon steel tank must replace the existing 100,000 gallon redwood tank to meet the needs of its service area. The District will have to find another location to install a temporary tank while a new tank is being built. It also will have to employ an environmental specialist for the eighteen month permitting process. The District said it had replaced the tanks that were easiest to do and now it is left with the most difficult ones. Eventually it will replace all the redwood tanks with steel tanks.



Lompico County Water District Merger

San Lorenzo Valley Water District constructed a temporary \$132,000 emergency pipeline as an intertie between SLVWD and LCWD.^[6] These funds came from a grant fund program established under Proposition 84 (Prop 84), passed in 2006.^[7] The temporary pipeline was completed at the end of April 2014. This pipeline will allow LCWD to turn off wells in order to perform maintenance. SLVWD will determine how much water to send

through the pipeline, and LCWD customers will pay for the water they receive. The creation of the emergency pipeline is separate from the proposed merger.

In the proposed merger of SLVWD and LCWD, a \$750,000 permanent pipeline between them is planned. The merger plan involves a \$2.75 million bond paid for and overseen by LCWD customers. The merger also includes a prior loan from SLVWD to LCWD to pay money owed to the California Public Employees' Retirement System (CalPERS).^[8] LCWD must repay the loan to SLVWD before the merger moves forward. There will be a monthly surcharge to LCWD customers for up to five years, at a maximum of \$144,000 (approximately \$24 a month per customer) to repay this loan. This will avoid transferring LCWD debt to SLVWD.

District Manager Performance Evaluation

The Board did not conduct a performance evaluation of its District Manager for fiscal year 2012-2013, despite its own policy which requires annual reviews. When the Grand Jury asked SLVWD for documented metrics used to evaluate the performance of their District Manager, they said written guidelines do not exist. Current practice is for the President of the Board to create his or her own guidelines each year.

An annual performance evaluation of its District Manager should be standard practice for a board of directors. An example of a District Manager Performance Evaluation Review list with metrics and guidelines is available from the Paradise Irrigation District.^[9]

The Brown Act

The Brown Act (California Code Section 54950) governs meetings of local governmental bodies. The Act establishes rules designed to ensure that actions and deliberations of boards and other public bodies are done openly and with public access and input (see Appendix C).^[10]

In order for the SLVWD Board of Directors to hold a regular public Board of Directors meeting, it must have a quorum present. Three or more members of the five member Board constitute a quorum. Most importantly, when three Board members are present at a meeting, it is a "Board" meeting pursuant to the Brown Act, subsection 54952.2(a). The Board is then required to give proper public notice of the meeting and an agenda at least 72 hours in advance.

On 3/4/04, the SLVWD Board of Directors adopted three standing committees: Environmental, Planning, and Finance. For many years the Finance and Planning committees consisted of the same three Board members.

Providing notice of "committee" meetings led members of the public to believe they did not need to attend. Since these were not noticed as Board meetings, the public would not expect final decisions to be made. However, since these meetings had a quorum of the Board, they were in fact Board meetings. Any decisions made in these committees were in essence Board decisions.

When asked about this issue, the Board told the Grand Jury it relied on advice from its District Counsel that it was appropriate to allow three Board members to participate in committee meetings. The Board claimed that District Counsel approved of providing public notice of these meetings simply as “committee” meetings.

The Board told this Grand Jury that prior to 2012, when its policy changed, three Board members and the District Manager regularly attended these standing committee meetings. A ratepayer wrote to the District Counsel about Brown Act violations on 5/1/11, but did not receive a response. He then filed a lawsuit against three of the Board members alleging failure to meet requirements of the Brown Act by referring to their meetings as “committee” meetings.^[11]

The Board subsequently changed the number of Board members on each standing committee from three to two. The change went into effect in December 2012, immediately after the lawsuit against the District ended in October 2012. When the Grand Jury asked the Board why the change was made, we were given a variety of answers, none of which mentioned compliance with the Brown Act as the primary motivation for the change.

Transparency

Since government agencies are publicly-owned, they should make all information about operations available and understandable for the public. The Grand Jury found that none of the resolutions amending District Ordinances have ever been posted on the District’s website. When the Grand Jury asked to receive a copy of a policy and procedures manual, no copy was available electronically. In order to obtain the manual, ratepayers must go to the District Office, get permission from the District Manager, and pay for copy costs.

Two resolutions were adopted at the Board’s 2/20/14 meeting: Resolution 23 (2013-14), the San Lorenzo Valley Water District Investment Policy 2014; and Resolution 22 (2013-14), the Lompico County Water District Emergency Intertie Agreement. Neither of these documents had been posted on the District’s website as of 5/14/14. The Grand Jury contacted the District office for copies of these Resolutions but staff was unaware whether they were available.

Although the 2013-2014 budget was approved on 3/6/14, the budget was not posted on the District’s website. When inquiries were made on 5/5/14 about obtaining a hard copy of the budget, staff members were not aware that a budget had been passed and said that no copy of the budget was available. Later the Grand Jury was told that staff had a copy of a draft budget but not the approved budget. Only the District Manager had access to a hard copy of that budget. The budget was finally posted more than two months after it was adopted.

Three ratepayers addressed the Board on 1/16/14 requesting that minutes for the special meeting, held 10/24/13 to consider an increase in water rates, be provided to ratepayers. Rather than simply provide the requested minutes, the Board, with the assistance of District Counsel, refused to do so. As of 5/15/14, the minutes had not been posted. In addition, no minutes have been posted for the five Board meetings since the 2/6/14

meeting and no meeting “action summaries” have been posted since 2/20/14.

The District makes audio recordings of Board meetings. The recordings are low quality, not digital or available online, and not a suitable replacement for published minutes. Community members involved with the group San Lorenzo Valley Watchdogs have been recording the Board meetings and posting them to their own website. [\[12\]\[13\]](#)

In summary, the Grand Jury has determined that SLVWD lacks proper oversight and transparency with regard to its finances and operations.

Findings

F1. By assigning responsibility for district investments to the District Manager, the SLVWD Board of Directors improperly relinquished one of its major responsibilities.

F2. SLVWD took no action to correct its imbalance of investment assets despite multiple years of external audit reports.

F3. Contrary to accepted practice, SLVWD was operating on a prior year’s budget eight months into its fiscal year.

F4. Despite numerous complaints from ratepayers, SLVWD has failed to prioritize the replacement of leaking redwood tanks.

F5. For many years Board committees consisted of a quorum of Board members without being publicly announced as Board meetings.

F6. The Board has violated its policy to conduct annual reviews of the District Manager.

F7. The Board lacks consistent standards to evaluate the performance of the District Manager.

F8. SLVWD consistently fails to provide timely meeting minutes or post important information on the District’s website.

F9. SLVWD makes it difficult for ratepayers to obtain public records from the District Office by requiring prior approval from the District Manager.

Recommendations

R1. The SLVWD Board should reclaim its financial oversight responsibility by rescinding Resolution 79 (1987-88). (F1, F2)

R2. The Board should require that the District Manager provide a budget prior to the start of each fiscal year. (F3)

R3. SLVWD should provide ratepayers with a specific plan and schedule for replacing its remaining redwood tanks. (F4)

R4. The Board should create standard criteria and follow its own requirement for annual evaluation of the District Manager. (F6, F7)

R5. The Board should publicly notice committee meetings as Board meetings when a quorum is present. (F5)

R6. SLVWD should post online all ordinances, resolutions, and minutes within a month of approval. It also should post online all current ordinances, resolutions referenced in current ordinances, and minutes for the last five years. (F8, F9)

Responses Required

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Board of Directors, San Lorenzo Valley Water District	F1 - F9	R1-6	90 Days 9/15/14
District Manager, San Lorenzo Valley Water District	F3-4, F8-9	R2-3, 6	90 Days 9/15/14

Definitions

- *Audit:* Review of an organization’s finances. Audits are performed to ascertain the validity and reliability of information. The goal is to express an opinion that the financial statements are accurate and complete and free from material error.
- *Board of Directors’ Policy Manual 2014:* Document used to govern actions of the board of directors of the San Lorenzo Valley Water District adopted Dec. 5, 2013, Resolution No. 15 (13-14)
- *Brown Act:* Enacted in 1953, this law guarantees the public’s right to attend and participate in meetings of local legislative bodies. The Act promotes the transparency of government by requiring that the people’s business be conducted in public. It applies to the governing boards of all local governments in California.
- *Budget:* A list of all estimated and planned revenues and expenses, including a strategy for the coming financial period. A prudent budget would include income, expenditures, cash flow, infrastructure maintenance, a capital improvement plan, and reserves for economic uncertainty. Typically a budget is created on an annual basis and compared against the actual financial performance frequently to ascertain the viability of the financial operations.
- *California Water Code:* Laws governing water usage in the state of California. Special districts such as SLVWD are subject to Water Code section 30000 *et seq.*

- *California Public Employees' Retirement System (CalPERS)*: is an agency in the California executive branch that manages pension and health benefits for more than 1.6 million California public employees, retirees, and their families.
- *Environmental Impact Report (EIR)*: An EIR describes the positive and negative environmental effects of a proposed action, and it usually also lists one or more alternative actions that may be chosen instead of the action described in the EIR.
- *Interties*: Connections between public water systems permitting exchange or delivery of water between those systems.
- *Local Agency Investment Fund (LAIF)*: A California State Agency under the State Treasurer's Office created as an investment alternative for California's local governments and special districts.
- *Lompico County Water District (LCWD)*: A special district in Santa Cruz county designed to provide potable water to approximately 1,500 residents in the Lompico Canyon of the San Lorenzo Valley
- *Proposition 50 (Prop 50)*: 'The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.' Passed by California voters in the November 2002 general election.
- *Proposition 84 (Prop 84)*: A \$5.4 billion 'Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006' (Safe Drinking Water Bond). Passed by voters on 11/7/2006. It included an Emergency Grant Fund Program to establish an immediate water supply connection between SLVWD and LCWD.
- *Quorum*: The number of members required to legally transact business. In the case of SLVWD this is three members.
- *Scotts Valley Water District (SVWD)*: A special district in the City of Scotts Valley that provides water resource management to deliver a safe and reliable supply of high quality water to its ratepayers.
- *San Lorenzo Valley Water District (SLVWD)*: A special district in Santa Cruz County designed to provide potable water to more than 7300 connections in the San Lorenzo Valley and adjacent areas.
- *San Lorenzo Valley Water District Board*: Five citizens residing within the geographical boundaries of SLVWD elected by the community to govern the water district.
- *Special District*: An agency established under California state law for the performance of a local government function (fire, water, roads, etc.) within specific boundaries in order to serve a common community interest.
- *Service Area*: The area designated in a water system plan or a coordinated water system plan.
- *Transparency*: Operating in such a way that it is easy for others to see what actions are performed.
- *Watchdogs*: A group of outside individuals who monitor the activities of an organization.

Sources

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13. San Lorenzo Valley Watchdogs, Accessed 5/5/14. <http://www.slvwd.co/dp/>

Appendix A

Infrastructure

The four water systems of SLVWD are:

1. North System (North Boulder Creek, Boulder Creek, Ben Lomond, Quail Hollow, Glen Arbor, and Zayante)
2. South System (Whispering Pines Drive, Lockewood Lane, Hidden Glen, Estrella Drive, Twin Pines Drive, Oak Tree Villa, Spring Lakes and Vista Del Lago Mobile Home Parks)
3. Felton System (the town of Felton, Highway 9 south to Big Trees, San Lorenzo Avenue, Felton Empire Grade, Felton Grove, and El Solyo Heights)
4. Mañana Woods Systems (Cuesta Drive, El Sereño Drive, Miraflores Drive, and Canepa Drive)

SLVWD owns approximately 2,000 acres of land in the San Lorenzo River Watershed, which supplies surface and groundwater to the District's customers. Its watershed land is in four separate acreages: Olympia Watershed, Fall Creek, Zayante Creek, and Ben Lomond Mountain. The Olympia Watershed Management Plan has been completed. Management plans are planned for the Fall Creek, the Zayante Creek, and the Ben Lomond Mountain properties.^[1] The primary purpose of a watershed management plan is to guide watershed coordinators, resource managers, policy makers, and community organizations to restore and protect the quality of lakes, rivers, streams, and wetlands in a given watershed. The plan is intended to be a practical tool with specific recommendations on practices to improve and sustain water quality.

With an intertie between SLVWD and the Scotts Valley Water District (SVWD), water can be moved between districts as needed. The water is not given away but is sold. In addition, with a North-South intertie the District can transfer water between the two systems without relying on additional water from the SVWD.^[1]

Appendix B

SLVWD Capital Improvement Program Category A Projects⁽¹⁾

<i>Project Title</i>	<i>Estimated Cost</i>
New Probation Groundwater Well	\$350,000
Nina Water Storage Tank	\$275,000
Quail Hollow Groundwater Well	\$325,000
North System-South System Intertie	\$2,800,000
Loch Lomond Water Supply	\$1,950,000
Administrative Campus	\$5,500,000
Probation Water Storage Tank	\$1,100,000
Bull Spring Intake Transmission Line	\$500,000
Lyon Zone Water Distribution System	\$750,000
Quail Hollow Water Distribution System	\$2,400,000
Felton System Intertie	\$325,000
Riverside Grove Water Storage Tank	\$285,000
Brookdale Water Storage Tank	\$400,000
Bear Creek Estates Water Storage Tank	\$125,000
SUBTOTAL CATEGORY A	\$17,085,000

SLVWD Capital Improvement Program Category B Projects

<i>Project Title</i>	<i>Estimated Cost</i>
Bar King Road Water Distribution System	\$200,000
Swim Water Storage Tank	\$250,000
Sequoia Ave. Water Distribution System	\$100,000
Hillside Drive Water Distribution System	\$300,000
Hihn Road Water Distribution System	\$140,000
Irwin Booster Pump Station	\$50,000
Echo Water Storage Tanks	\$250,000
Fall Creek Diversion Facility	\$150,000
Buena Vista Water Distribution System	\$210,000
Firehouse Booster Pump Station	\$50,000
Lockwood Ln Water Distribution System	\$70,000
Felton Acres Water Storage Tank and Booster Pump	\$150,000
Pine Water Storage Tank	\$250,000
El Solyo Water Storage tank	\$250,000
El Solyo Booster Pump Station	\$75,000
McCloud Water Storage Tank	\$250,000
Blair Water Storage Tank	\$250,000
SUBTOTAL CATEGORY B	\$2,995,000

SLVWD Capital Improvement Program Category C Projects

<i>Project Title</i>	<i>Estimated Cost</i>
Fairview Booster Pump Station	\$150,000
Whitter/Manzanita Water Distribution System	\$300,000
El Solyo Avenue Water Distribution	\$160,000
Riverside Grove Booster Pump Station	\$75,000
King's Creek Rd Water Distribution System	\$365,000
Two Bar Road Water Distribution System	\$525,000
Larita/Elena Dr Water Distribution System	\$400,000
Band Road Water Distribution System	\$225,000
Riverside Ave Water Distribution System	\$625,000
Scene Road Water Distribution System	\$365,000
Ridge Drive Water Distribution System	\$175,000
Eckely Booster Pump Station	\$75,000
Bear Creek Estates Booster Pump Station	\$75,000
Riverview Drive Water Distribution System	\$210,000
Juanita Woods Water Distribution System	\$420,000
West Park Water Distribution System	\$385,000
Railroad Ave. Water Distribution System	\$370,000
Lorenzo Ave. Water Distribution System	\$385,000
Kipling Ave. Water Distribution System	\$140,000
Sunnycroft Rd Water Distribution System	\$150,000
Brackney Road Water Distribution System	\$215,000
Upper Big Basin Way Water Distribution System	\$975,000
Arden Avenue Water Distribution System	\$260,000

Blue Ridge Dr Water Distribution System	\$350,000
SUBTOTAL CATEGORY C	\$7,375,000

Appendix C

The Brown Act

Public bodies covered under the Brown Act include:

- “Legislative bodies” include governing bodies and their subsidiary bodies, e.g., board commissions, committees, or other bodies of a local agency that are created by charter, ordinance, resolution or “formal action” of a legislative body. This applies regardless of “temporary v. permanent”, and “advisory v. decision making.” There is a specific exception for “non-standing” advisory committees that are composed of less than a quorum of the legislative body. Standing committees are those whose meeting schedule is fixed by resolution or action of the body that created the committee.
- “Local agencies” include cities, counties, school districts, special districts, and municipal corporations.
- A meeting is defined as any congregation of a majority of the members of legislative body at the same place to hear, discuss or deliberate on any matter within its jurisdiction. This can include lunches, social gatherings, or board retreats. If a legislative body designates less than a quorum of its members to meet with another body to exchange information, a separate body is not formed. However, if less than a quorum meets with another agency to perform a task, e.g., make a recommendation, a separate legislative body is formed.

Notice and Agenda requirements of the Brown Act stipulate regular meetings are those whose time and place is set by ordinance, bylaw or resolution (policy and procedure) at least 72 hours prior to the meeting. The agency must post an agenda containing a brief general description (generally no longer than 20 words) of each action or discussion item to be considered, including items to be considered at closed sessions. The purpose is to notify members of the public of items in which they may wish to participate. Special meetings require 24 hours’ notice. No business may be considered except that for which the meeting was called. Emergency meetings (crippling disasters, strikes, public health and/or safety threats) may be called on one hour notice, determined by a majority of the body; no closed session is permitted. Closed sessions require three types of notice: 1) a listing in the agenda; 2) a pre-closed session announcement; and 3) a post-closed session report of action taken.^[11]