

**SCOTTS VALLEY WATER DISTRICT
MINUTES OF THE
REGULAR BOARD MEETING
JANUARY 10, 2008**

**SCOTTS VALLEY WATER DISTRICT
BOARD ROOM, 2 CIVIC CENTER DRIVE
SCOTTS VALLEY, CALIFORNIA**

1. CONVENE MEETING

Item 1.1 President Hober called the meeting to order at 7:08 p.m.

Item 1.2 ROLL CALL

Present: Directors Kassis, Ferri, Kannegaard, Hodgins and Hober

Absent: None

Item 1.3 Pledge of Allegiance and Invocation

Director Kassis led the Pledge of Allegiance and Invocation.

Item 1.4 Closed Session Report from Regular Board Meeting of December 12, 2007

General Manager McNiesh advised that there was closed session at the December meeting regarding Assistant General Manager/Operations Manager (AGM) agreement; after closed session, Board reconvened in open session to take action on the AGM agreement; closed session report was made at that time, so there is nothing to report today.

Item 1.5 Approval of Minutes of the Regular Board Meeting of December 12, 2007
Special Board Meeting of November 1, 2007

Director Ferri moved, seconded by Director Kannegaard, to approve minutes of the Special Board Meeting of November 1, 2007 and the Regular Board Meeting of December 12, 2007, as presented. Motion carried unanimously.

Item 1.6 Reorganization of the Board for the 2008 Calendar Year

President Hober thanked Director Hodgins for serving as President of the Board for the past two years, and highlighted things accomplished during that time, such as a new well, expanded recycled water, new accounting manager, associate engineer gained professional status, two rate increases, new attorney, two new directors; commended him especially for increasing SVWD participation in ACWA.

President Hober announced the new committee assignments for the year and a new appointment called Outreach Ambassador; Director Hodgkin, new Outreach Ambassador, explained that the person in this position is authorized on behalf of the Board to contact elected representatives and other decision makers on matters of urgency that cannot wait for the full Board's consideration at its next meeting; copies of Committee Assignments were distributed to Board members.

ADDITIONS/DELETIONS TO THE REGULAR AGENDA: None

PUBLIC COMMENTS ON ITEMS ON THE AGENDA: None

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: None

2. PUBLIC HEARING: None

3. CONSENT AGENDA: None

4. ITEMS REMOVED FROM CONSENT AGENDA: None

5. DIRECTOR'S AGENDA ITEMS

Item 5.1 Individual Director Reports:

Director Hodgkin advised that he is working on bringing Director's manual more up to date; plans to meet with General Manager McNiesh and then bring complete document to the Board.

Item 5.2 ACWA Update:

General Manager McNiesh advised he has nothing to report.

Item 5.3 Anticipated Directors' Expenses:

Director Hodgkin advised that he will be attending ACWA Board meeting, January 24-25, 2008.

6. COMMITTEE REPORTS:

Item 6.1 Business Administration Committee

6.1.1. Consider Retaining Edward L. Kreisberg for Human Resources Consulting Services

General Manager McNiesh reported that this was discussed at last Board meeting and at committee meeting; advised that he has contacted Edward Kreisberg, who attended the committee meeting on the 2nd to discuss the position; efforts are being made to keep associated costs down; also contacted a second possible provider; stated both possible

providers come highly recommended; need to move forward soon, with employee negotiations coming up; Kreisberg rate is \$250 per hour.

Director Hober said as a committee member she was impressed with Mr. Kreisberg; Director Hodgkin said Mr. Kreisberg is well qualified; Mr. Kreisberg is willing to do all the negotiations; Attorney Bosso said it gives the Board insulation if a third party rather than a Board member or General Manager does the negotiations; General Manager McNiesh is satisfied with Mr. Kreisberg, but has a call in to other possible provider; Director Hodgkin suggested going ahead with Kreisberg pending General Manager's discussion with other provider, in which case General Manager may need to contact committee members.

President Hober asked Board members if they agree with leaving final decision with General Manager McNiesh; Board members concurred.

Director Hodgkin advised that Mr. Kreisberg said he could be prepared to attend Board workshop January 19th, if desired.

6.1.2. Discuss Annual Report on Water Replenishment Impact Fee

General Manager McNiesh advised that the required annual report is in the Board packet; one person of the public has requested the report; formal review by Board will be at February meeting.

6.1.3. Discuss Director's Compensation and Expense Reimbursement

General Manager McNiesh said this was discussed at last Board meeting and committee meeting; he distributed copies to the Board of a chart of what other district Board members are paid.

Attorney Bosso said the Board may raise its compensation by 5% every calendar year since last adjustment. He advised that the Board must first adopt an ordinance and then may approve an increase after 60 days.

There was discussion by the Board; Director Hodgkin suggested matching Soquel Creek.

Director Hodgkin moved, seconded by Director Kassis, to authorize General Manager McNiesh and Attorney Bosso to prepare an ordinance stating that SVWD Board of Directors may raise compensation rates 5% per year since the last increase. Motion carried unanimously.

6.1.4. Discuss State's Proposed Amendments to Labor Compliance Program Regulations

General Manager McNiesh advised that the state is proposing new Labor Compliance Program (LCP) regulations; proposed regulations are complex and detailed; does not appear there will be major impacts on SVWD's LCP, which has initial approval status from the state; staff will continue to track this issue.

6.1.5. Discuss Board Workshop on District Priorities Scheduled for January 19, 2008

President Hober said the workshop is scheduled from 9:00 a.m. to noon; Committee members Hober and Hodgins have been working on a draft priority list to have ready by the 17th so it can be organized and grouped; all Board members plan to attend; Board members may submit to General Manager McNiesh before the 17th items they want to include on list of priorities to be discussed.

Item 6.2 Water Resources Committee

5.2.1. Discuss Regional Forums on Climate Change and Water Resources

General Manager McNiesh said staff has met with different water districts; discussed at last Board meeting; inter-agency meeting scheduled for next week; forum will probably be in early May to coincide with Water Awareness Month; focus will be on what water districts can do that will have an impact; tentative plan for 3 forums; with second one being on water supply planning; third one about energy conservation; unrelated Capitola forum will be February 8, Friday at 7:00 pm at Capitola City Hall, and will be more general; the goal is to have a strong attendance of both staff, directors, and public.

Item 6.3 Facilities Engineering Committee

6.3.1. Discuss Status of Current Recycled Water Expansion Projects

General Manager McNiesh reported that there has not been a committee meeting but there has been some work done on recycled water expansion projects.

Assistant General Manager O'Brien reported that District is making good progress on Vineyards backflow project; meeting scheduled with property manager tomorrow; contract has been awarded to Sanchez Inc. for the installations; should be finished by March 31st; working to get Department of Public Health approval. Also working with Willow Pond to convert to recycled water.

General Manager McNiesh said Woodhill Village HOA has expressed interest but wants a written agreement with District regarding reimbursement before moving forward; if Sanchez works well, District will propose moving over to do Woodhill Village backflow installations as well; reported that he and Director Perri met with Pasatiempo golf course representatives over the holidays; golf course remains interested in the proposed recycled project.

7. STAFF REPORTS

Item 7.1 Accounting/Customer Service Reports

President Hober congratulated Accounting Manager Michael Catalano for his progress in getting up to date with the District's financial statements.

Item 7.2 Operational Reports

Operations Manager O'Brien gave update on rain and power outages and staff working over the weekend keeping things in order; no shortages of water; 8.39 inches of rain year so far in 2008.

There was discussion regarding rescheduling to finish the tour of the SVWD facilities for Board members. It was decided upon Monday, February 11th at 9:30 a.m.

Item 7.3 General Manager's Report

General Manager McNiesh said he has nothing to add to written report.

Item 7.4 Attorney's Report:

Attorney Bosso advised that he had left word with Social Security legal counsel regarding the District's issue, and will report back to Board when he hears something back from them.

8. DIRECTOR'S COMMENTS ON ITEMS NOT ON THE AGENDA:

President Hober said she would like to take time during the meeting to schedule committee meetings. Directors Hober and Hodgin agreed on the 31st for Audit Committee meeting; Water Resources Committee meeting scheduled, Directors Kassis and Perri, to be coordinated with Scotts Valley City Council, to be scheduled Tuesday or Thursday week of January 21st; Business Administration Committee Tuesday, January 29th; Facilities Engineering Committee before Board meeting, Directors Kannegaard and Perri, Thursday February 7th, 4 p.m.

9. MISCELLANEOUS CORRESPONDENCE:

Item 9.1. Letter to Senator Maldonado Dated December 21, 2007, Regarding Rumored ERAF Shift

Item 9.2. Letter to Assemblyman Laird Dated December 21, 2007, Regarding Rumored ERAF Shift

Item 9.3. Letter Dated January 2, 2008, and Report from Monterey Bay Master Gardeners Regarding 2007 Smart Gardening Faire

General Manager McNiesh said he also distributed information to the Board members regarding a monthly Chamber of Commerce mixer and AMBAG's annual economic conference.

10. CLOSED SESSION: None

11. ADJOURNMENT

Director Kassis moved, seconded by Director Kannegaard, to adjourn the meeting at 8:35 p.m. Motion carried unanimously.

Respectfully submitted,

Deborah L. Hazen, District Secretary

Approved: _____