

Board of Directors  
**Regular Meeting 7:00 p.m.**  
**Thursday, December 14, 2017**  
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 Perri called the meeting to order at 7:00 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

Present:

Directors

David T. Hodgin  
Wade Leishman  
Chris Perri  
Danny Reber

Staff

Piret Harmon  
David McNair  
Donna Paul

Guests

Ned Hogan  
Chris Brown  
Martin Feeney

Absent:

Ruth Stiles                          Bob Bosso

I.2. Pledge of Allegiance and Invocation

Vice President Perri led the pledge of allegiance and Director Reber 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

Ned Hogan a district customer addressed the board regarding a leak adjustment request that was denied due to a prior leak adjustment within the last five years (2014). Mr. Hogan requested Board reconsideration of this action.

Vice President Perri responded that the Board cannot take action this evening and referred the matter to the Water Resources and Engineering Committee for consideration and recommendation.

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**2. Administrative Items**

2.1 Approval of Minutes – November 9, 2017, Regular Board Meeting

MOTION: Hodgkin / Leishman to approve minutes of the November 9, 2017, regular Board Meeting as submitted. Motion carried by unanimous voice vote.

2.2. Presentation

There were no presentations.

2.3. Committee Meeting Reports

2.3.1 Executive & Public Affairs Committee 11/21/17

Vice President Perri reported that officer terms were discussed and Board compensation will be discussed further at an upcoming meeting.

2.3.2 Finance & Personnel Committee 12/05/17

In addition to the written report, Director Hodgkin reported that the audit exit conference resulted in a recommendation of having board member (s) perform a review of internal controls and processes three or four times during the year.

2.3.3 Water Resources & Engineering Committee (no meeting)

2.4. Santa Margarita Groundwater Agency (SMGWA) Board Meeting 12/13/17 (oral)

Vice President Perri reported that the SMGWA Groundwater 101 presentations were well done and provided a clear explanation of the agency and its work. The Board meeting included the adoption of the agency by-laws and creation of selection committees for groundwater and facilitation consultants.

**3. Consent**

There were no items on consent.

**4. Public Hearings**

No public hearings were scheduled.

**5. General Business Items**

5.1. Annual Financial Report for Fiscal Year Ending June 30, 2017

Chris Brown, Fedak and Brown, LLP presented the results of the 2017 Audit. [Click here](#) to view the presentation.

Director Hodgkin reported that the Finance Committee reviewed the report and conducted an Audit Exit Conference with the audit firm.

MOTION: Hodgkin/Reber to approve the Scotts Valley Water District Annual

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Financial Report for fiscal year ending June 30, 2017. Motion carried by unanimous voice vote

5.2. Well 7A Replacement Project

Operations Manager (OM) McNair reported that the drilling of the replacement well has not proceeded as originally scheduled. He introduced Martin Feeney, Consulting Hydrogeologist who reported that the driller is currently at a depth of 860 feet on its second attempt using a different methodology. A team is drilling 24 hours a day with slow progress.

OM McNair reported that a conservative estimate to complete the drilling is January 31, 2018, and the neighbors are not happy about the delays.

MOTION: Reber/Leishman to ratify approval of the contract with Pacific Coast Well Drilling, Inc. dated November 15, 2017, in the amount of \$1,194,450. Motion carried by unanimous voice vote.

5.3. Annual Election of Officers

Vice President Perri open the floor for nominations for President.

Vice President Perri nominated Ruth Stiles for President. Director Reber nominated Chris Perri.

MOTION: Leishman/ Hodgkin to close the nominations. Motion carried by unanimous voice vote.

Roll Call Vote for President

Hodgin: Perri

Leishman: Perri

Reber: Perri

Perri: Stiles

Chris Perri is elected President.

Vice President Perri open the floor for nominations for Vice President.

Director Hodgkin nominates Danny Reber for Vice President.

MOTION: Leishman / Hodgkin to close the nominations. Motion carried by unanimous voice vote

By acclamation, Danny Reber was elected Vice President.

**6. Staff Reports**

6.1. District Counsel

There was no report.

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6.2. General Manager

There was no report.

6.3. Finance

The new rates and fees are effective December 13, 2017.

6.4. Operations

Operations Manager McNair reported the Brody Knutson has been promoted to Engineering Technician and Justice Locatelli has been hired to fill the Utility Service Representative, Field position vacated by Knutson's promotion. The Lexington Hotel has new owners with an aggressive schedule to open by May 1, 2018. The connection fees for this project and the delays in the well drilling improve cash projections.

6.5. Water Use Efficiency

The water use efficient report was accepted without comment.

**7. Individual Directors Reports**

Vice President Perri reported that ACWA President has asked him to serve as Vice Chair of the ACWA Membership Committee.

Director Hodgins reported that the District received three ACWA JPIA President's Special Recognition Awards at the Fall Conference.

Director Leishman reported that he attended ACWA Fall Conference in Anaheim and found groundwater committee, energy committee, water quality committee meetings informative.

Director Hodgins suggested that every month an employee attend the Board meeting and share what they do.

**8. Written Communications and Correspondence**

8.1. June 2018 Primary Election Information – County Elections Office 11/30/17

8.2. Consolidated Redevelopment Oversight Board for Santa Cruz County 11/13/17

8.3. ACWA Groundwater Committee Meeting Report 11/28/2017

8.4. Bill Ekwall - Public Record Requests 11/15/17 and 11/20/17 with District Responses

8.5. ACWA JPIA President's Special Recognition Award

The written communications and correspondence were accepted without comment.

**9. Community Relations**

There were no community relations items.

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**10. Closed Session**

There was no closed session.

**11. Report on Closed Session and Additional Items**

There was no report on closed session or additional items.

**12. Adjournment**

MOTION: Hodgins/Leishman to adjourn the meeting at 8:43 p.m.

Submitted:

DocuSigned by:  
*Donna Paul*  
1079981CD1DC41A...

Donna Paul, Asst. to the General Manager

Approved:

DocuSigned by:  
*Chris Perri*  
8270DCF086E94D9...

Chris Perri, Vice President

Attest:

DocuSigned by:  
*Piret Harmon*  
1C236EFF40B44D1...

Piret Harmon, General Manager