



# SCOTTS VALLEY WATER DISTRICT

## **AGENDA PACKET**

**REGULAR BOARD MEETING  
02/13/20 at 7:00 p.m.**

**Santa Margarita Community Room  
2 Civic Center Drive  
Scotts Valley, California**

### **BOARD OF DIRECTORS**

**Wade Leishman, President**

**Bill Ekwall, Vice President**

**Chris Perri, Director**

**Danny Reber, Director**

**Ruth Stiles, Director**

**Noelle Downing, Associate Director**

**Annie Finch, Associate Director**

**Piret Harmon, General Manager**

## Water Industry Acronyms

AF – Acre Foot	RWQCB – Regional Water Quality Control Board
AFY – Acre Foot per Year	SCWD – Santa Cruz Water Department (City of)
ACWA – Association of California Water Agencies	SDWA – Safe Drinking Water Act
ACWA JPIA – ACWA Joint Powers Insurance Authority	SGMA – Sustainable Groundwater Management Act
AWWA – American Water Works Association	SLVWD – San Lorenzo Valley Water District
BMP – Best Management Practices	SMGWA – Santa Margarita Groundwater Agency
CCR – Consumer Confidence Report	SqCWD – Soquel Creek Water District
CD – Certificate of Deposit	SWRCB – State Water Resources Control Board
CEQA - California Environmental Quality Act	TP – Treatment Plant
CSDA – California Special District Association	
DHS - Department of Health Services	
DWR – Department of Water Resources	
EIR – Environmental Impact Report	
EPA – Environmental Protection Agency	
GASB – Governmental Accounting Standards Board	
IRWM – Integrated Regional Water Management	
JPA – Joint Powers Agreement	
LAIF – Local Agency Investment Fund	
LAFCO – Local Agency Formation Commission	
LID – Low Impact Development	
MCL – Maximum Containment Level	
MGD – Million Gallons per Day	
MGY – Million Gallons per Year	
MOU – Memorandum of Understanding	
O&M – Operations and Maintenance	
PERS – Public Employees Retirement System	
PHG – Public Health Goal	
PPB – Parts Per Billion	
PRV – Pressure Relief Valve	
PVC Pipe – Polyvinyl Chloride Pipe	
RWMF – Regional Water Management Foundation	
RFP – Request for Proposals	
ROW – Right-of-way	



# SCOTTS VALLEY WATER DISTRICT

BOARD OF DIRECTORS  
PRESIDENT Wade Leishman  
VICE PRESIDENT Bill Ekwall  
Chris Perri  
Danny Reber  
Ruth Stiles

ASSOCIATE DIRECTORS  
Noelle Downing  
Annie Finch

GENERAL MANAGER  
Piret Harmon

Board of Directors

## Regular Meeting

Santa Margarita Community Room  
2 Civic Center Drive, Scotts Valley, California

**02/13/20 7:00 p.m.**

## Agenda

### 1. Convene

- 1.1. Call to Order and Roll Call
- 1.2. Pledge of Allegiance and Invocation
- 1.3. Closed Session Report (No closed session on 01/09/20)
- 1.4. Additions/Deletions to the Agenda
- 1.5. Oral Communications

### 2. Administrative

#### 2.1. Approval of Minutes

10/11/19 Special Board Meeting / Strategic Vision Planning Workshop

12/12/19 Regular Board Meeting

01/09/20 Regular Board Meeting / Strategic Vision Planning Workshop

#### 2.2. Committee and other Agency Meeting Reports

Executive & Public Affairs Committee (None)

Finance & Personnel Committee 01/14/20

Interagency Committee (None)

Water Resources & Engineering Committee 01/20/20

Santa Margarita Groundwater Agency (SMGWA) Board 12/11/19 and 01/22/19

#### 2.3. Committee Assignments

Board President announces the assignments

#### 2.4. Presentations

District Projects Status Update FY2020 David

McNair, Operations Manager

Development Nexus with Water Management

Piret Harmon, General Manager

**3. Consent**

**3.1. Mission, Values, Vision, and Strategic Goals**

Recommendation: Approve the revisions to District Mission, Values, Vision and Strategic Goals

**4. Public Hearings (None)**

**5. Business**

**5.1. Strategic Vision Planning: SWOT Analysis and Priorities**

Recommendation: Review and provide input.

**5.2. Employee Handbook**

Recommendation: Approve the revisions to the Mission, Values, Vision and Strategic Goals; Worker’s Compensation; and Paid Family Leave sections of the Scotts Valley Water District Employee Handbook.

**5.3. Cash Reserves Policy and Investments Policy**

Recommendation: 1) Update Policy P200-17-2 Cash Reserves; and 2) Adopt Resolution No. 01-20 revising Policy P200-14-1 Investments.

**6. Staff Reports**

**6.1. Legal**

District Counsel - oral

**6.2. Administrative**

General Manager - oral

**6.3. Finance**

[Financial Reports 07/01/19 through 12/31/19](#)

**6.4. Operations**

Operations Report - oral

[Production, Demand and Rainfall Data through 01/31/20](#)

[Leak Adjustment Program Report 07/01/19 through 12/31/19](#)

[Development Project Status Report through 12/31/19](#)

**7. Directors Reports**

Travel and Meetings

ACWA and ACWA/JPIA Updates

Other

**8. Written Correspondence**

Letter of Support City of Santa Cruz Grant Application for CA Resilience Challenge: SVWD 01/20/20

Water Resources Management Status Report 2019: Santa Cruz County 01/20/20

Green Business Certification: County of Santa Cruz 12/03/19

ACWA Groundwater Committee Meeting Notes: Montgomery & Associates 12/03/19

**9. Community Relations**

Save Money and Water: The Scotts Valley i-Meter: Press Banner 12/27/19

Newsletter Scotts Valley Water District 01/29/20

**10. Closed Session (None)**

**11. Report on Closed Session and Additional Items (None)**

**12. Future Items**

Annual Groundwater Report (March)

Audited Annual Financial Report for Fiscal Year Ended 06/30/19 (March)

Communications and Community Outreach Program Mid-Year Update (March)

**13. Meetings and Event Calendar**

Regular Board Meetings

*Santa Margarita Community Room*

03/12/20

04/09/20

05/14/20

Committee Meetings

*District Conference Room*

02/24/20 Executive & Public Affairs

02/25/20 Finance & Personnel

02/24/20 Water Resources & Engineering

03/05/20 Interagency

**Santa Margarita Groundwater Agency Board**

Regular Board Meetings

Scotts Valley City Council Chambers

02/27/20

03/26/20

04/23/20

**Association of California Water Agencies (ACWA) Events**

05/05/20 – 05/08/20 Spring Conference Monterey

12/01/20 – 12/04/20 Fall Conference Indian Wells

**Conferences/Trainings/Workshops/Webinars**

03/15/20 – 03/17/20 WaterReuse Annual Conference San Francisco

06/10-20 – 06/11/20 3rd Annual Groundwater Sustainability Agencies Summit Sacramento

**14. Adjourn**

The next regular meeting of the Scotts Valley Board of Directors is scheduled for 03/12/20 at 7:00 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

AVAILABILITY OF PUBLIC RECORDS PROVIDED TO THE BOARD OF DIRECTORS: THE DISTRICT WILL MAKE AVAILABLE FOR PUBLIC REVIEW ANY PUBLIC RECORDS FURNISHED TO THE BOARD OF DIRECTORS AT THE SAME TIME SUCH RECORDS ARE FURNISHED TO THE BOARD OF DIRECTORS. **SUCH RECORDS SHALL BE AVAILABLE AT THE DISTRICT OFFICE DURING NORMAL BUSINESS HOURS.**

PUBLIC ACCESS – ACCOMMODATIONS UNDER THE ADA: PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT OF 1990, THE SCOTTS VALLEY WATER DISTRICT REQUESTS THAT ANY PERSON IN NEED OF ANY TYPE OF SPECIAL EQUIPMENT, ASSISTANCE OR ACCOMMODATION(S) IN ORDER TO EFFECTIVELY COMMUNICATE AT THE DISTRICT'S PUBLIC MEETING PLEASE MAKE SUCH A REQUEST TO THE DISTRICT OFFICE AT THE ABOVE ADDRESS OR BY CALLING (831) 438-2363 A MINIMUM OF THREE (3) WORKING DAYS PRIOR TO THE SCHEDULED MEETING. ADVANCE NOTIFICATION WITHIN THIS GUIDELINE WILL ENABLE THE DISTRICT TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY.

Scotts Valley Water District  
Board of Directors  
**Special Meeting**  
Scotts Valley Public Library  
251 Kings Village Road, Scotts Valley, California  
**10/11/19 12:00 p.m.**  
**Minutes**

**1. Convene**

Call to Order

President Reber called the special meeting to order at 12:00 p.m. in the Community Room of the Scotts Valley Public Library, 251 Kings Village Road, Scotts Valley, California.

Directors

Bill Ekwall  
Wade Leishman, Vice President  
Chris Perri  
Danny Reber, President  
Ruth Stiles

Staff

Piret Harmon, General Manager  
Nick Kurns, Finance and Customer Service Manager  
David McNair, Operations Manager  
Donna Paul, Assistant to General Manager

Facilitator

Robert DeLoach, Robert DeLoach and Associates

Audience

Eight guests were in attendance.

Additions/Deletions to the Agenda  
None.

Oral Communications on items not on the Agenda  
None.

**2. Strategic Planning Workshop**

Robert DeLoach led the strategic planning workshop and moderated the discussion of the District's Mission, Values, Vision, Goals and long term direction with the Board and Staff.

**3. Adjourn**

The meeting adjourned at 3:34 p.m.

Approved:

Attest:

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Danny Reber, Board President

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Piret Harmon, Board Secretary

Scotts Valley Water District  
Board of Directors  
**Regular Meeting**  
Santa Margarita Community Room  
2 Civic Center Drive, Scotts Valley, California  
**12/12/19 7:00 p.m.**

**Minutes**

**1. Convene**

1.1 Call to Order and Roll Call

President Reber called the meeting to order at 7:00 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

Directors

Bill Ekwall

Wade Leishman

Chris Perri

Danny Reber

Ruth Stiles

Staff

Bob Bosso, Legal Counsel

Piret Harmon, General Manager

Nick Kurns, Finance and Customer Service Manager

David McNair, Operations Manager

Donna Paul, Assistant to General Manager

Audience: Barbara Callahan, Noelle Downing, Annie Finch and Matthew Robinson.

1.2 Pledge of Allegiance and Invocation

Director Perri led the pledge of allegiance; Director Stiles provided the invocation.

1.3 Closed Session Report

None.

1.4 Additions/Deletions to the Agenda

None.

1.5 Oral Communications

None.

**2. Administrative**

2.1 Approval of Minutes – 11/14/19 Regular Board Meeting

MOTION carried to approve the minutes of the 11/14/19 regular board meeting by unanimous voice vote.

2.2 Presentations

None.

2.3 Committee and Other Agency Meeting Reports

Executive & Public Affairs Committee 11/18/19

In addition to the written report, information was provided on the discussion and outcome of the outreach activities related to the 3% rate increase.

Finance & Personnel Committee 11/18/19

There was nothing further to add to the written report.

Interagency Committee

None.

Water Resources & Engineering Committee 11/18/19

In addition to the written report, information was provided on the Leak Adjustment Appeal that is on consent.

Santa Margarita Groundwater Agency (SMGWA) Board

None.

**3. Consent**

3.1 Leak Adjustment Appeal: 4637 Scotts Valley Drive

MOTION carried to allow an exception to the five-year waiting period and grant the leak adjustment credit for Paul Vroomen at 4637 Scotts Valley Drive by unanimous voice vote.

**4. Public Hearings**

None.

**5. Business**

5.1 Draft Annual Financial Statements for the Fiscal Year Ended June 30, 2019

Finance and Customer Service Manager Kurns introduced Paul Kaymark, of Nigro & Nigro, Public Accountants who presented the draft financial statements and responded to questions from the Board and audience.

No action was taken on this item.

5.2 Validated Water Loss Audit Report 2018

Operations Manager McNair provided the staff report and responded to questions from the Board.

No action was taken on this item.

5.3 Junior Associate Board Members and Committee Members

The Board conducted individual interviews with the following candidates:

Associate Junior Board Member: Noelle Downing, Annie Finch and Matthew Robinson

Finance and Personnel Committee Community Member: Barbara Callahan

Water Resources and Engineering Community Member: Kelly Kroctov.

MOTION carried to appoint: 1) Noelle Downing and Annie Finch as Associate Junior Board Members; 2) Matthew Robinson as backup should a vacancy occur; 3) Barbara Callahan as Finance and Personnel Committee Community Member and Kelly Kroctov as Water Resources and Engineering Committee Community Member by unanimous voice vote.

5.4 Sequoia Reservoir Interior Recoating Project - Award Contract

Operations Manager McNair provided the staff report.

MOTION carried to award contract and authorize the General Manager to execute all related documents with Euro Style Management, Inc. in the amount of \$537,000 for the Sequoia Reservoir Interior Recoating Project by unanimous voice vote.

5.5 Fee Schedule for Bulk, Temporary and Miscellaneous Services

General Manager Harmon responded to questions from the Board.

MOTION carried to adopt Resolution No. 10-19 updating the Fee Schedule for Bulk, Temporary and Miscellaneous Services and rescinding Resolution No. 01-17 by unanimous roll call vote.

**6. Staff Reports**

6.1 Legal

District Counsel Bosso reported that the State Supreme Court will be hearing the Dunsmuir water rate case.

6.2 Administration

The General Manager's report is appended.

6.3 Finance

Financial Reports 07/01/19 through 10/31/19

The financial reports were accepted without comment.

6.4 Operations

Production, Demand and Rainfall Reports through 11/30/19

The production, demand and rainfall reports were accepted without comment.

Leak Adjustment Program Report through 10/31/19

The leak adjustment program report was accepted without comment.

**7. Directors Reports**

**7.1 Individual Directors Reports**

Director Stiles reported on a WaterSmart webinar she attended.

Director Stiles and Director Perri reported on the 12/11/19 SMGWA Board Meeting.

**7.2 Election of Officers**

President Reber opened the floor for nominations for President. Director Leishman was nominated.

MOTION carried to elect Director Leishman as Board President for 2020 by unanimous voice vote.

President Reber opened the floor for nominations for Vice President. Director Ekwall was nominated.

MOTION carried to elect Director Ekwall as Board Vice President for 2020 by unanimous voice vote.

**8. Written Correspondence**

ACWA JPIA President's Special Recognition Award 11/20/19

The written correspondence was accepted without comment.

**9. Community Relations**

None.

**10. Closed Session**

None.

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

None.

**12. Future Items**

Committee Assignments

Development Projects Report

Water Supply Outlook

**13. Meetings and Event Calendar**

Regular Board Meetings

*Santa Margarita Community Room*

01/09/20 Strategic Planning Workshop 5:00 p.m.

02/13/20

03/13/20

Committee Meetings

*District Conference Room*

12/16/19 Executive & Public Affairs

12/17/19 Finance & Personnel

12/16/19 Water Resources & Engineering

TBD Interagency

By consensus the Committee Meetings were cancelled.

**Santa Margarita Groundwater Agency Board**

Regular Board Meetings

*Santa Margarita Community Room*

12/11/19

**Association of California Water Agencies (ACWA) Events**

[05/05 - 05/08/20 ACWA Spring Conference, Monterey](#)

**Conferences/Trainings/Workshops/Webinars**

ACWA JPIA Webinar: Sexual Harassment Prevention 12/18/19

ACWA JPIA Webinar: Board Boot Camp, Be a Better Board Member 03/17/20

**14. Adjourn Meeting**

The meeting adjourned at 9:24 p.m.

Approved:

Attest:

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Danny Reber, Board President

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Piret Harmon, Board Secretary

**STAFF REPORT - Administration**

Scotts Valley Water District

**Date:** 12/12/19

**To:** Board of Directors

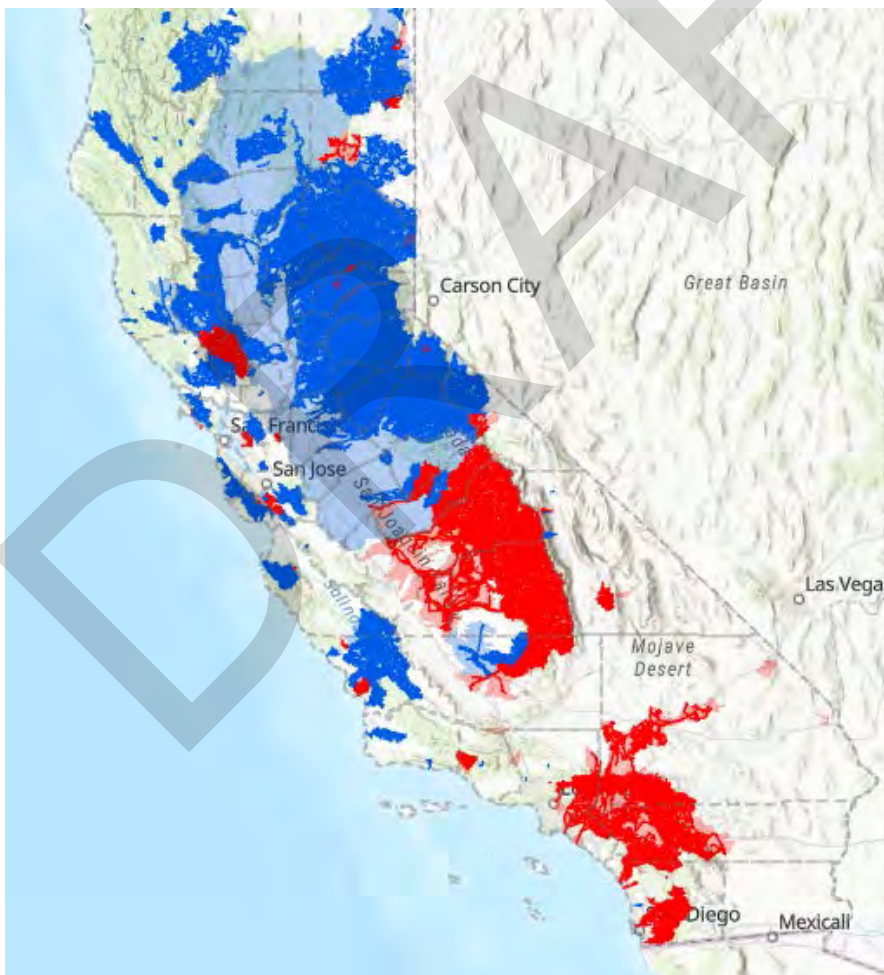
**From:** General Manager

**Item:** Staff Reports 6.2

**Subject: General Manager's Report**

1. ACWA Fall Conference highlights
  - a. Session - Achieving Groundwater Sustainability: A Toolbox Approach

Stream systems declared fully appropriated by the State Water Board



- b. Session: On Target for Urban Water Use Efficiency Targets
  - Indoor standard (55 GPCD...50 GPCD) set by Legislature, water loss standard will be set by Board (July 2020), outdoor standard will be set by Board (June 2022), variance will be set by Board (June 2022)
  - Is 55 GPCD too high: indoor use expected to reduce to 36.7 (WRF), Melburnians striving for 41 indoor+outdoor, DDW 2018 eAR data show that we are using less than 55 indoors
  - New reporting requirements
    - o Annual Supply and Demand Assessment (2021)
    - o Annual Water Use Report (2023) – include calculation of Urban Water Use Objective
    - o Water Shortage Contingency Plan (2021) – include annual water budget forecast
  - Urban Water Use Objective = Indoor Residential + Outdoor Residential + Dedicated Irrigation Meters + Water Loss + Variances + Bonus Incentive (potable reuse)
    - o DWR provides irrigated area for residential only
- 2. Strategic Planning Workshop on January 9<sup>th</sup> at 5:00 p.m. facilitated by Robert DeLoach; participants are tasked to fill out worksheets in advance
- 3. Contract updates
  - a. Water Systems Consulting \$50,800 to evaluate District’s distribution system and calibrate the existing hydraulic model to determine possible capacity deficiencies; and to prepare a strategic capacity-based Capital Improvement Program (CIP)
  - b. L. Kershner Design \$34,349 to reconfigure the existing DIRTT installation to improve workflow and space utilization in the District headquarters
- 4. General Manager Harmon will be on vacation December 13-25, Operations Manager David McNair will be the acting General Manager during that time

Scotts Valley Water District  
Board of Directors  
**Regular Meeting**  
Santa Margarita Community Room  
2 Civic Center Drive, Scotts Valley, California  
**01/09/20 5:00 p.m.**  
**Minutes**

**1. Convene**

Call to Order

President Leishman called the meeting to order at 5:00 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

Directors

Bill Ekwall, Vice President  
Wade Leishman, President  
Chris Perri  
Danny Reber  
Ruth Stiles

Staff

Piret Harmon, General Manager  
Nick Kurns, Finance and Customer Service Manager  
David McNair, Operations Manager  
Donna Paul, Assistant to General Manager

Associate Directors

Annie Finch

Facilitator

Robert DeLoach, Robert DeLoach and Associates

Audience

Bill Maxfield, Miller Maxfield

Additions/Deletions to the Agenda  
None.

Oral Communications on items not on the Agenda  
None.

**2. Strategic Planning Workshop**

Robert DeLoach led the second strategic planning workshop that included a review of the District's mission, core values, vision and strategic goals statement and a strengths, weaknesses, opportunities and threats (SWOT) analysis of the six identified strategic goals.

**3. Adjourn**

The meeting adjourned at 8:56 p.m.

Approved:

Attest:

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Wade Leishman, Board President

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Piret Harmon, Board Secretary



# SCOTTS VALLEY WATER DISTRICT

svwd.org  svwater

Finance and Personnel Committee  
District Conference Room  
2 Civic Center Drive, Scotts Valley, California  
01/14/20  
Meeting Report

1. Convene

The meeting convened at 4:08 p.m. in the District Conference Room, 2 Civic Center Drive, Scotts Valley California. The Committee welcomed Community Committee Member Barbara Callahan.

Present: Community Member Barbara Callahan, Director Wade Leishman and Director Ruth Stiles

Staff: General Manager Piret Harmon, Finance and Customer Service Manager Nick Kurns and Assistant to General Manager Donna Paul

Guests: Director Bill Ekwall (observer)

2. Discussion Items

2.1 Financial Report 07/01/19 through 12/31/19

The committee reviewed and discussed the financial reports.

2.2 Rate Assistance Program Update

The committee received status report on the implantation of Rate Assistance Program approved in June 2019. Staff reported that an outreach plan is being developed.

The committee commented that low income residents are likely not living in a single family residence and will not be able to benefit from this program.

2.3 Budget Calendar

The Committee reviewed the schedule for preparation of the FY 2021 budget.

2.4 Summary of Internal Controls

Staff presented information on the processes and internal controls related to the management of the District's financial transactions. [Click here](#) to view presentation.

3. Oral Communications

None.

4. Future Agenda Items
  - Volunteer Workers Comps Benefits Policy (March)
  - Cash Reserve Policy Review/Update (Feb)
  - Qualifying Medical Needs Rate Policy Update
  - FY 2021 Budget Items
5. Adjourn
  - The meeting adjourned at 5:23 p.m.



# SCOTTS VALLEY WATER DISTRICT

svwd.org  svwater

Water Resources and Engineering Committee  
District Conference Room  
2 Civic Center Drive, Scotts Valley, California  
01/20/20  
Meeting Report

## 1. Convene

The meeting convened at 10:02 a.m. in the District Conference Room, 2 Civic Center Drive, Scotts Valley, California. The Committee welcomed Community Committee Member Kelly Krotcov.

Present: Director Bill Ekwall, Director Ruth Stiles and Community Committee Member Kelly Krotcov

Staff: General Manager Piret Harmon, Engineering Technician Brody Knutson, Finance and Customer Service Manager Nick Kurns, Operations Manager David McNair, Assistant to General Manager Donna Paul and Water Use Efficiency Coordinator LeAnne Ravinale

Others: None

## 2. Discussion Items

- 2.1 Leak Adjustment Program Report 07/01/19 through 12/31/19  
The Committee reviewed and discussed the leak adjustment program report.
- 2.2 District Projects Status Report Fiscal Year 2020  
Operations Manager McNair presented the report and responded to Committee questions.
- 2.3 Purified Recycled Water Recharge Project Update  
General Manager Harmon reported that Kennedy Jenks will be providing a proposal to provide economic and engineering feasibility for regional alternatives if the treatment capabilities at the Scotts Valley Waste Water Treatment Plant are limited.
- 2.4 Water Supply Outlook Water Year 2020  
The water supply outlook for water year 2020 was reviewed and discussed. The report will be updated for the next committee meeting.
- 2.5 Development Nexus with Water Management  
To view the presentation, [click here](#).

3. Oral Communications  
None.
4. Future Agenda Items  
New Formation Well  
Acquisition of Monitoring Wells from Aviza Property  
Urban Water Management Plan Update
5. Adjourn  
The meeting adjourned at 11:30 a.m.



# Santa Margarita Groundwater Agency

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**To:** Scotts Valley Water District Board of Directors  
**Date:** February 06, 2020  
**Subject:** Santa Margarita Groundwater Agency Board of Directors Meeting Summary  
**Meeting date:** December 11, 2019

This report serves as notification that the Santa Margarita Groundwater Agency (SMGWA) conducted a regularly scheduled Board of Directors Meeting on December 11, 2019 at 5:30 p.m. The meeting was held in the Santa Margarita Community Room of the Scotts Valley Water District Building at 2 Civic Center Dr. Scotts Valley CA, 95066.

Agenda Packet is viewable [here](#).

The SMGWA Board of Directors conducted the following activities:

1. Approved October 24, 2019 Board of Directors meeting minutes (Item 2.1)
2. Approved 2020 Board of Directors meeting schedule (Item 2.2)
3. Accepted the Annual Financial Report for the fiscal year ending June 30, 2019 (Item 4.1)
4. Received a report on the current GSP roadmap (Item 4.2.1)
5. Received a presentation and participated in a facilitated discussion on regional climate change conditions as they pertain to the Agency's decision-making process (Shawn Chartrand, Balance Hydrologics and John Ricker, County of Santa Cruz) (Item 4.2.2)
6. Received a legal update on possible future Federal water efficiency regulations. (Item 5)
7. Received a report on a Groundwater Modeling Webinar hosted by the groundwater Resources Association of California (Item 6.1)

The audio recording of the meeting is accessible [here](#).

Submitted by,

Nicholas Wallace  
Administrative/Office Assistant  
Santa Margarita Groundwater Agency



# Santa Margarita Groundwater Agency

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**To:** Scotts Valley Water District Board of Directors  
**Date:** February 06, 2020  
**Subject:** Santa Margarita Groundwater Agency Board of Directors Meeting Summary  
**Meeting date:** January 23, 2020

This report serves as notification that the Santa Margarita Groundwater Agency (SMGWA) conducted a regularly scheduled Board of Directors Meeting on January 23, 2020 at 5:30 p.m. The meeting was held in the Scotts Valley City Council Chambers at 1 Civic Center Dr. Scotts Valley CA, 95066.

Agenda Packet is viewable [here](#).

The SMGWA Board of Directors conducted the following activities:

1. Approved December 11, 2019 Board of Directors meeting minutes (Item 2.1)
2. Elected the officers (Item 2.2)  
Chair: Chris Perri (Scotts Valley Water District)  
Vice Chair: Lois Henry (San Lorenzo Valley Water District)  
Secretary: Angela Franklin (Well Owner Representative)
3. Received a report on the Santa Margarita Groundwater Model Update (Cameron Tana, Montgomery & Associates (Item 4.1.2)
4. Received a presentation and participated in a facilitated discussion on Preliminary GSP Projects and Management Actions (Dave Ceppos, CSUS) (Item 4.1.2)
6. Received a quarterly financial report covering October 01, 2019 to December 31, 2019 and requested the itemized credit card statements to be included in future financial reports. (Item 5)
7. Received a status update on the Agency's Community Outreach contract with Miller Maxfield.(Item 5)
8. Received an update on cost sharing methods in Fiscal Years (FY) 2018, 2019, and 2020. (Item 5)
9. Received a report on a SMGWA study session conducted by the San Lorenzo Valley Water District. (Item 6.1)

The audio recording of the meeting is accessible [here](#).

SMGWA Meeting Summary

January 23, 2020

Page 2

Submitted by,

Nicholas Wallace

Administrative/Office Assistant

Santa Margarita Groundwater Agency



## 2020 COMMITTEE ASSIGNMENTS

<u>Committee</u>	<u>Focus Area</u>	<u>Members</u>
Executive and Public Affairs	General Manager evaluation; succession planning (GM and Board); other items that do not fit within the defined boundaries of other committees.	_____ _____ Alternate: _____ <i>President and Vice President</i> <i>Alternate: Past President</i>
3 <sup>rd</sup> Monday 4 p.m.	Community relations; communication strategy and outreach; public information.	
Finance and Personnel	Fiscal (incl. investment and purchasing) policies; financial reports; annual audit; internal audit, rates, fees and charges; operating budget; grants.	_____ _____ Barbara Callahan, Community Member 1 <sup>st</sup> Alternate: _____ 2 <sup>nd</sup> Alternate: _____ 3 <sup>rd</sup> Alternate: _____ <i>President serves on the Finance and Personnel Committee</i>
3 <sup>rd</sup> Tuesday 4 p.m.	New positions; wage and benefit adjustments; potential disciplinary actions; training and safety programs; ethics and discrimination issues; MOU contract.	
Water Resources and Engineering	Water supply augmentation projects; water resource issues; water use efficiency; water quality; conservation programs.	_____ _____ Kelly Krotcov, Community Member 1 <sup>st</sup> Alternate: _____ 2 <sup>nd</sup> Alternate: _____ 3 <sup>rd</sup> Alternate: _____
3 <sup>rd</sup> Monday 10 a.m.	Capital and maintenance projects (infrastructure and facilities); property acquisition and disposition; standard specifications; CIP budget.	
Interagency	Provide a unified source of information on community related matters and support effective interagency relationships	_____ Alternate: _____
Santa Margarita Groundwater Agency (SMGWA) Board		Chris Perri Ruth Stiles Alternate: _____
ACWA Joint Powers Insurance Authority (ACWA/JPIA) Board		Chris Perri 1 <sup>st</sup> Alternate: Bill Ekwall 2 <sup>nd</sup> Alternate: Piret Harmon
ACWA Committee: Energy		Chris Perri
ACWA Committee: Groundwater		Chris Perri Derrick Williams
ACWA Committee: Membership		Chris Perri
ACWA Committee: Business Development		Piret Harmon
ACWA Committee: Local Government		Piret Harmon

# Scotts Valley Water District Development Nexus with Water Management



SVWD Board Meeting  
February 13<sup>th</sup>, 2020

## California Water Law

Water Districts shall:

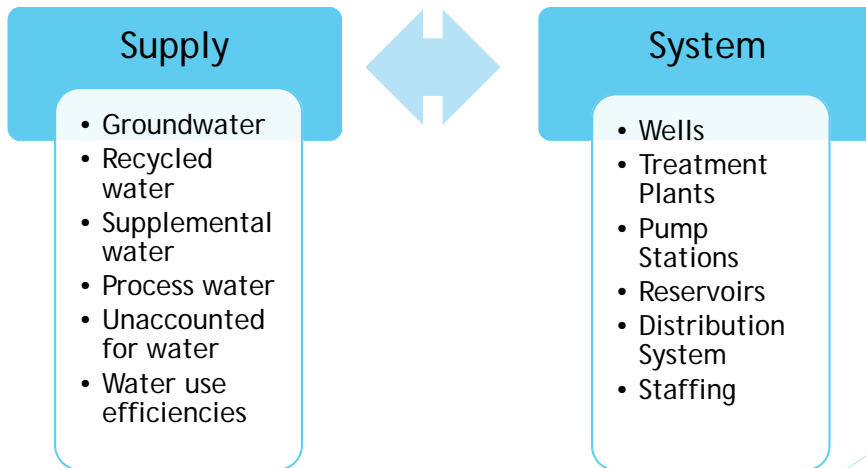
- Provide water to meet the needs of a community (present and future beneficial uses)
- Have discretion to issue moratorium in a declared water shortage emergency

Water Districts shall NOT:

- Have the authority to determine the need of a community
- Issue moratoria as a pretext to a no-growth policy

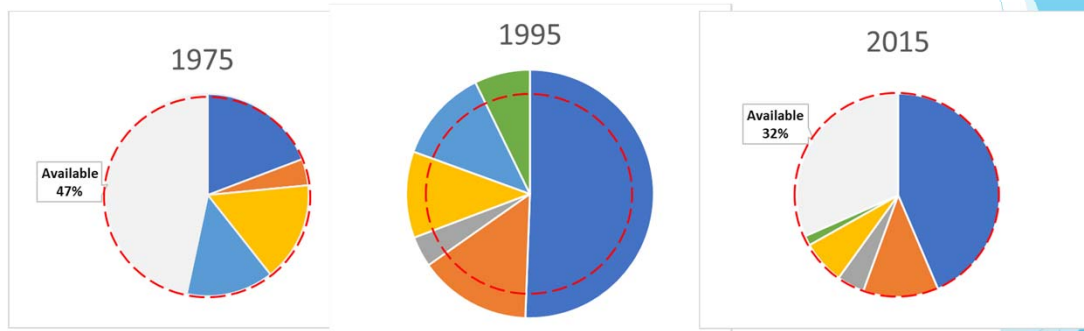
California's waters cannot be owned by individuals, businesses or governmental agencies.

## Capacity to meet Demand



## Water Supply and Demand

Scotts Valley subarea of Santa Margarita Groundwater Basin

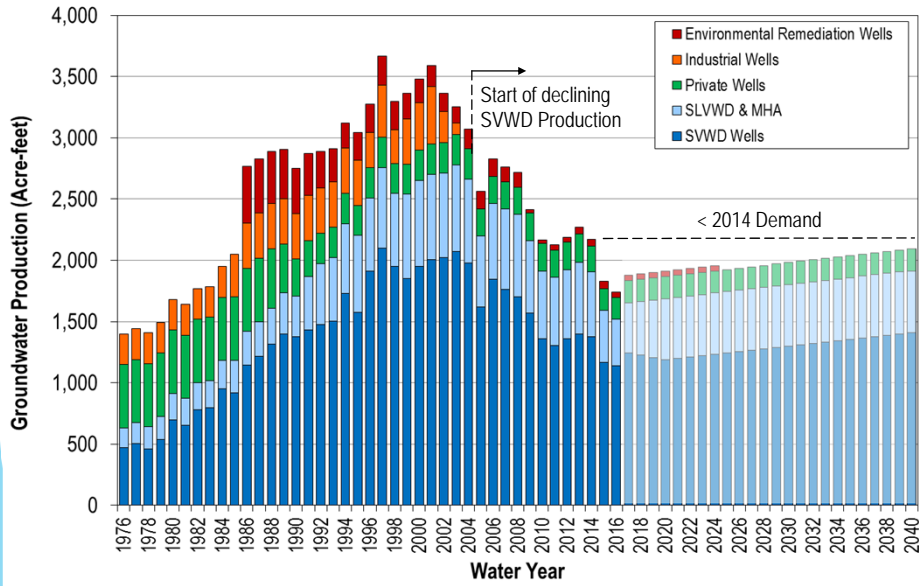


Annual Pumping by Various Entities  
 1975: 1388 AFY (452 MGY)  
 1995: 3030 AFY (987 MGY)  
 2015: 1779 AFY (580 MGY)



Annual Safe Yield: 2,600 AFY  
 (Average Year)

## Groundwater Production



## Population and Demand

Scotts Valley Water District	1975		1995		2015
Population	4,500		8,797		10,774
Change		+95%		+22%	
Demand (acre feet per year)	500		1,533		1,133
Change		+207%		-26%	

## District Demand

- Serving 10,700 people with 4,200 service connections
- 2019 potable water demand - 1,109 AFY or 361 MGY
  - 21% less than 2013 (1,401 AFY)
  - 47% less than 2003 (2,076 AFY)
  - About same as 1986 (1,143 AFY) when serving 6,590 people
- 2019 recycled water demand - 175 AFY or 57 MGY
  - Fairly consistent in last 10 years

## Development Activity

- Recent 5 year period / 2015-2019
  - About 200 new connection: 10 MGY new potable demand
  - Bethany and Enterprise revitalization: appr 10 MGY additional demand
  - Total potable demand declined from 457MGY to 361MGY
- Current activity / 2020-2023
  - 38 active service applications: 239 new potable connections (plus 13 new recycled water connections)
  - 18.5 MGY new potable demand
  - \$5M in capacity fee revenue

## Average Annual Water Use



AVERAGE HOME 60,000 GY (0.015%)

EFFICIENT HOME 45,000 GY (0.011%)

100 HOMES 4.5 MGY (1.1%) ●

HOTEL 1.5 MGY - 3 MGY (0.4% - 0.8%) ●

MGY - Million Gallons per Year  
GY - Gallons per Year

## Look forward hearing from you

Piret Harmon, General Manager  
Scotts Valley Water District

[pharmon@svwd.org](mailto:pharmon@svwd.org)

831-600-1902

## **AGENDA REPORT**

Scotts Valley Water District

**Date:** 02/13/20  
**To:** Board of Directors  
**Item:** Consent 3.1  
**Subject:** **Mission, Values, Vision and Strategic Goals**  
**Reason:** Complies with Board Best Practices

### **SUMMARY**

**Recommendation:** Approve the revisions to District Mission, Values, Vision and Strategic Goals

**Fiscal Impact:** No direct impact

**Previous Related Action:** On 2/13/14, the Board adopted the District’s Mission and Vision Statement, Core Values and Strategic Goals.

On 4/13/17, the Board approved revisions to the District’s Mission and Strategic Goals.

### **BACKGROUND**

In 2012 the Board initiated a comprehensive organizational review that resulted in major restructuring efforts including a strategic planning process to establish the future visionary direction for the District.

The strategic planning process is designed to identify and develop a programmatic set of goals and objectives allowing the District to make sound operational, financial and organizational decisions. The goals and objectives are summarized in the Mission and Vision Statement. Our Mission describes the core purpose and function of the organization and answers the question “What do we do?” Our Vision statement focuses on the future, shapes the District’s values and corresponds with our beliefs. It answers the questions “Why are we different?” The Core Values are used in guiding the District’s conduct, shape its culture and describe “How we connect the What and the Why”.

### **DISCUSSION**

At the recent strategic planning workshops, the Board reviewed the Mission, Core Values, Vision and Strategic Goals that were adopted in 2014 and slightly revised in 2017. The main focus was on considering any potential changes in the context of the utilities industry and economic drivers around us, including changes in technology and in consumer behavior. We discussed trends that could be turned into economic opportunities in the future trying to imagine not only how the agency will operate in the future but how the industry will evolve and how new partnerships will emerge.

Attached are the revised Mission, Values, Vision and Strategic Goals. If approved, the Board will use the updated Strategic Goals for setting the direction and determining the priorities for District in the next 10-year timeframe.

Submitted,

Piret Harmon  
General Manager

Enclosed: Mission, Values, Vision and Strategic Goals 2/13/20

## **Mission Statement**

Scotts Valley Water District delivers a sustainable high quality water service in an environmentally responsible and financially sound manner.

## **Core Values**

Scotts Valley Water District is:

Innovative  
Efficient  
Adaptable  
Collaborative  
Approachable

## **Vision Statement**

Scotts Valley Water District is a results-driven, data-oriented public agency that provides effective actions, superior customer service and visionary leadership.

## **Strategic Vision Goals**

1. Water Resource Management – *SVWD meets the water supply needs of its customers by developing new, sustainable sources and maximizing the use of existing sources.*
2. Water System Integrity – *SVWD provides continuous investment in its infrastructure and process improvements to ensure the efficiency of its operations.*
3. Financial Stewardship – *SVWD manages its financial resources in a manner that ensures the reliability of its operations and provides the greatest value to its customers.*
4. Community Engagement – *SVWD proactively creates opportunities for strategic alliances and mutually beneficial relationships with its customers and partners.*
5. Organizational Vitality – *SVWD recruits and retains the highest quality employees and board members by offering a work environment in which they can thrive and succeed.*

## **AGENDA REPORT**

Scotts Valley Water District

**Date:** 02/13/20  
**To:** Board of Directors  
**Item:** Business 5.1  
**Subject:** **Strategic Vision Planning: SWOT Analysis and Priorities**  
**Reason:** Complies with Board Best Practices

### **SUMMARY**

**Recommendation:** Review and provide input

**Fiscal Impact:** No direct impact

**Previous Related Action:** On 2/13/14, the Board adopted the District's Mission and Vision Statement, Core Values and Strategic Goals.

On 4/13/17, the Board approved updates to the District's Mission and Strategic Goals.

On 10/10/19, the Board held a special meeting to discuss the District's long term strategic direction.

On 1/9/19, the Board continued the discussion on the District's strategic goals and vision planning.

### **BACKGROUND**

At the recent strategic planning workshops, the Board reviewed the Mission, Core Values, Vision and Strategic Goals that were adopted in 2014 and slightly revised in 2017. Earlier on today's meeting agenda (Consent 3.1) the Board considered approving the updates to the District's Mission, Values, Vision and Strategic Goals. If approved, the Board will use the updated Strategic Goals for setting the direction and determining the priorities for District in the next 10-year timeframe.

### **DISCUSSION**

The Executive Team and the Board conducted a SWOT exercise evaluating each of the Strategic Goals. Attached is the compiled report of the analysis from October 2019 and January 2020 strategic planning sessions.

The SWOT analysis was used for preparation of a list of initiatives to be incorporated into the District's strategic plan. The staff reviewed the list and assigned initial priorities based on expected benefits, resource availabilities, internal capabilities and external drivers. The board is

being asked to review the priorities and provide feedback. The ranked initiatives will be used to finalize the strategic plan.

Submitted,

Piret Harmon  
General Manager

Enclosed:     SVWD Strategic Plan – SWOT Analysis  
                  SVWD Strategic Plan – Priorities

SVWD Strategic Plan - SWOT Analysis				
1/9/2020				
	Strengths	Weaknesses	Opportunities	Threats
GOAL 1: WATER RESOURCE MGMT	Reliability and integrity of existing water transmission and distribution system	Water resource mix	Santa Margarita Basin	Climate uncertainty
	Staff capability - educated and committed	Funding for major projects	Conjunctive use capability	Equipment or infrastructure failure
	Water resource mix	No regional water sharing	Ability to capture rainfall	Natural disasters
	Rate structure supports operational and capital revenue needs	Infrastructure integrity	Drought proof the regional supply	City of SV General Plan re-zoning potential impacts
	Demand management/ water use efficiency	Lack of redundancy within the water supply and distribution system	Reoperation of existing waste water treatment plant	Entry of heavy industry - higher demands
	Regional collaboration and planning	Lack of water recharge capability	Regional capability for water reuse	Loss of wastewater treatment capacity
	Supportive regulatory climate	Water quality	Regional cooperation and resource sharing opportunities	Lack of cooperation on regional projects
GOAL 2: WATER SYSTEM INTEGRITY	Qualified staff	Lack of sufficient well redundancy	Advanced recycled water treatment	Natural disasters
	Relatively young water system	Challenging topography	Expanded recycled water use: injection, ASR	Climate uncertainty
	Forward looking planning system	High pressure	Mergers, acquisitions, partnerships	Terrorism
	Excess system capacity	Limited resources: money, people, timing	Outside funding for generators	Lack of funding
	System integrity	Lack of diverse energy sources	Integrated information and data systems	Catastrophic failures
	Continuous investments in facilities	Lack of backup power	Improved pressure management	Loss of institutional knowledge (due to turnover)
	Layout and design of system		Diversification of energy sources	Power unreliability
	Technology utilization		Additional production well	
Emergency intertie				

SVWD Strategic Plan - SWOT Analysis				
1/9/2020				
	Strengths	Weaknesses	Opportunities	Threats
GOAL 3: FINANCIAL STEWARDSHIP	Not dependent on taxes as a main revenue source	Small customer base	Grants and other outside funding	State and Fed regulatory changes, unfunded mandates
	Ability to generate capital: rates, fees, grants, debt	Investment returns lower than inflation	Creative rate structure	Economic and financial disruptions
	Manageable OPEB liability - closed system	Small organization - no economies of scale	Seamless customer experience (no friction)	Catastrophic failures
	Younger workforce putting less pressure on unfunded pension liability	High and quickly escalating construction cost	Integrated data management	Future potential unfavorable Prop 218 outcome
	Significant development revenue projections	Long term capital improvement funding needs	Cost sharing and partnering opportunities	Board policy changes to unwillingness to raise rates
	Knowledgeable staff	Uncertainty of water demand trends		Being a legal target
	Good systems and processes	High fixed cost operations		
	Reserve and investment policies			
	Balanced budget			
	Cost containment			
	Clean audits			
	Growing ratepayer base			
	Stable property tax revenue			
GOAL 4: COMMUNITY ENGAGEMENT	Small organization - more accessible	Regional historical distrust	Use of technology and innovative approaches for doing outreach	Non-cooperators winning elections
	All employees are ambassadors of the District	Lack of interest (outside) in water utility daily operations	Maximize the benefit from being a member in SMGWA, Interagency Committee, RWMF	Unwillingness for partnerships
	Innovative solutions for reaching customers	Not connecting with Next Gen	K-12 education: SVHS green team, clubs	Unruly character of social media
	SM Community Room as a resource for everybody	Lack of understanding about value of water	Fully utilize customer engagement portal WaterSmart	Unreasonable rate payers
	Community engagement is a priority	Limited staff and resources	Personalized/customized messaging	Breakdown of relationship with local agencies
	Customer centric systems		Reduce paper communication	
	Engagement within the region			
	Accessible board			
	Use of diverse media channels			
	Good reputation			
	Fair and positive press coverage			

SVWD Strategic Plan - SWOT Analysis				
1/9/2020				
	Strengths	Weaknesses	Opportunities	Threats
GOAL 5: ORGANIZATIONAL VITALITY	Strong GM and competent staff	Limited upward mobility	Succession from within	Change in board makeup: District vs at-large representation
	Offering regular educational opportunities	Limited resources	Board onboarding, mentoring	Lack of interest in water industry as a potential employer
	Innovative recruitment approaches (tailored to each job)	Lack of time for board members to get more involved in state and local level	MOU negotiations (tool to understand and respond to the needs of workforce)	Sudden turnover of management staff and board
	Great work environment	High cost of living	Customized benefit options	Disruptive union involvement
	Good and progressive benefits	Top heavy organization	Project based assignments	Employment related litigation
	Engaged staff and board	Less specialization (subject matter experts) than larger agencies	Board relationship/connection to staff	Reduced financial resources to support fair compensation
	Willingness to change with times	Limited cross training opportunities	Performance based pay	Upheaval of benefit systems
	Commitment to innovation	Unionized environment	Internships	
	Relatively young workforce			
	Collaborative, empowering work landscape Valued culture - employer of choice			
GOAL 6: LEADERSHIP	Strong GM, staff and board	Lack of viable solar opportunities	Increased involvement in ACWA	Sacramento and DC
	Live by values	No strong connections with State and Fed representatives	Hire a lobbyist	Social media
	Clarity and uniformity of direction from top to bottom	Lack of involvement in ACWA by board members	Get more involved in State and Fed legislative issues	Turnover on board and change of course
	Member in MBCP energy cooperative	Lack of trusting relationship with other pumpers in the basin	More leadership training	Selfish perspective
	Lead agency in SMGWA		Involvement (indiv) in service clubs and community organizations	Become a bureaucratic organization
	Reputation as a strong and contributing partner		Create a microgrid	Stop growing, evolving and changing with times
	Valued as approachable and open minded by customers		Organize joint events with other organizations	Inward focus
	Visible public agency		Reduce friction for customers	
	Make investments in community by participation			
	Certified Green Business Relationships with County elected officials			

SVWD Strategic Plan - Priorities			
2/13/2020			
	Opportunities	Proposed Priorities	Updated Priorities
GOAL 1: WATER RESOURCE MGMT	Santa Margarita basin	below (G1)	
	Conjunctive use capability	A	
	Ability to capture rainfall	C	
	Drought proof the regional supply	below (G1)	
	Reoperation of existing waste water treatment plant	A	
	Regional capability for water reuse	B	
	Regional cooperation and resource sharing opportunities	C	
	Demand management/ water use efficiency (end user and District)	A	
GOAL 2: WATER SYSTEM INTEGRITY	Advanced recycled water treatment	below (G2)	
	Expanded recycled water use: injection, ASR	B	
	Mergers, acquisitions, partnerships	B/C	
	Outside funding for generators	below (G3)	
	Move to integrated information and data systems	A	
	Improved pressure management	B	
	Diversification of energy sources	B	
	Additional production well	A	
	Create a microgrid *	C	
	Continuous investments in facilities **	A	
Technology utilization **	A		
GOAL 3: FINANCIAL STEWARDSHIP	Grants and other outside funding	C	
	Creative rate structure	C	
	Seamless customer experience (no friction)	A	
	Exploit integrated data management	A	
	Cost sharing and partnering opportunities	B	
	Generate capital: rates, fees, grants, debt **	A	

SVWD Strategic Plan - Priorities			
2/13/2020			
	Opportunities	Proposed Priorities	Updated Priorities
GOAL 4: COMMUNITY ENGAGEMENT	Use of technology and innovative approaches for doing outreach	A	
	Maximize the benefit from being a member in SMGWA, Interagency Committee, RWMF	A	
	K-12 education: SVHS green team, clubs	B	
	Fully utilize customer engagement portal WaterSmart	A	
	Personalized/customized messaging	C	
	Reduce paper communication	A	
	Involvement (indiv) in service clubs and community organizations *	B	
	Hire a lobbyist *	C	
	Get more involved in State and Fed legislative issues *	C	
	Increase involvement in ACWA *	B	
	Make investments in community by participation **	A	
GOAL 5: ORGANIZATIONAL VITALITY	Succession from within	B	
	Board onboarding, mentoring	A	
	Project based assignments	C	
	Customized benefit options	B	
	MOU negotiations (tool to understand and respond to the needs of workforce)	B	
	Board relationship/connection to staff	C	
	Performance based pay	B	
	Internships	A	
	Organize joint events with other organizations *	A	
	Offer regular educational opportunities, including leadership training **	A	
* Added from Strengths section			
** Moved from (prior) Goal 6: Leadership			

## **AGENDA REPORT**

Scotts Valley Water District

**Date:** 02/13/20

**To:** Board of Directors

**Item:** Business 5.2

**Subject:** **Employee Handbook**

**Reason:** Supports Strategic Goal No. 5 Organizational Vitality

### **SUMMARY**

**Recommendation:** Approve the revisions to the Mission, Values, Vision and Strategic Goals; Worker's Compensation; and Paid Family Leave sections of the Scotts Valley Water District Employee Handbook.

**Fiscal Impact:** No direct impact

### **Previous Related Action:**

On 06/20/19, the Board approved revisions the Employee Handbook.

### **BACKGROUND**

The District has several documents that govern employer-employee relations: Memorandum of Understanding (MOU) between the Scotts Valley Water District (SVWD) and SVWD Employees Union, SVWD Employee Handbook and Employment Policies.

The Employee Handbook complements the MOU and provides specific information to employees on the District employment policies and practices that are not subject to the negotiations. Review of the Employee Handbook and Employment Policies are aligned with the approval of the new Memorandum of Understanding between the District and District's employee union.

### **DISCUSSION:**

Periodically, laws and practices that govern employer-employee relations change and revisions are needed in the Employee Handbook.

The current revisions involve three sections: 1) Mission, Vision, Values and Strategic Goals content is moved to Exhibit section; 2) Worker's Compensation has expanded language on the District's workers' compensation program and its leave of absence is aligned with other leaves of absence in the Memorandum of Understanding; and 3) Paid Family Leave is revised to reflect recent changes in state law extending paid family leave benefits from six to eight weeks.

Submitted,

Piret Harmon  
General Manager

Enclosed: Employee Handbook, Pages 11-12 redline/strikeout  
Employee Handbook, Pages 11-12 clean

Consolidated Omnibus Budget Reconciliation Act (COBRA) allows employees to self pay their group health insurance at the employer rates for a specific period of time for covered employees, spouses, and dependent children who lose their coverage due to a "qualifying event."

#### DEFERRED COMPENSATION

The District offers a deferred compensation plan to all employees. The voluntary 457 deferred compensation plan is a tax-deferred, supplemental retirement savings program that allows employees to save for retirement by making contributions to the plan on a pre-tax basis.

#### DISABILITY INSURANCE

The District participates in the State Disability Insurance (SDI) program. Subject to eligibility requirements, SDI pays a weekly benefit based on wages when certain disabilities exceed seven days in duration and for paid family leave. Employees may coordinate SDI with sick leave provided that it does not exceed 100% of their normal wages.

Employees are responsible for filing claims with the Employment Development Department to obtain State Disability Insurance benefits.

#### EMPLOYEE ASSISTANCE PROGRAM

The District provides at no cost an Employee Assistance Program that provides confidential professional assistance for all employees.

#### SECTION 125 PREMIUM ONLY PLAN (POP)

The District offers a Premium Only Plan (POP) to all eligible employees. Under a POP, employees may choose to pay for qualified benefit premiums (or employee contributions) on a pre-tax basis, which results in a reduction to an employee's taxable earnings.

#### UNEMPLOYMENT INSURANCE

Participation in the Unemployment Insurance provided by the State of California's Employment Development Department is mandatory. For more information, employees should contact the Employment Development Department.

#### WORKERS' COMPENSATION

~~As mandated by~~Pursuant to the California Labor Code, all employees are covered by the District's workers compensation program. The program provides medical benefits and compensation wage replacement to employees injured in the course of employment. ~~for lost time from work due to injuries arising out of and in the course of employment. The District pays the employee's full wages for the first three days the employee is off work for a work related injury.~~

The eEmployees must report any work related accident or injury immediately to his or her supervisor. In the event an employee is unable to perform their regular duties, they will be provided

~~return to work after sustaining a work-related injury, the District shall provide a leave of absence, or if applicable, modified work, in accordance with state law if work is available. If they are unable to return to work, they will be placed on a workers' compensation leave of absence. The District will pay the employee's wages for the first three days off work. After three days, the District's workers' compensation insurance provider will make temporary disability payments directly to the employee in an amount equal to 2/3<sup>rd</sup>s of the employee's normal wages. The temporary disability payments have no mandatory or voluntary deductions withheld.~~

~~The employee may elect to supplement the temporary disability payments with the use of accrued leave balances in an amount equal to 100% of normal wages. The supplemental payment made by the District is subject to regular deductions including taxes, retirement contributions, garnishments, medical premiums, supplemental life premiums, AFLAC premiums and union dues. 457 and HSA employee contributions will be suspended.~~

~~The employee is eligible for holidays and continues to accrue vacation and sick leave while on workers' compensation leave for the first thirty (30) calendar days. No vacation, holidays or sick leave will be earned or accrued after thirty (30) days on continuous workers' compensation leave.~~

~~Health and welfare benefits will continue during the workers' compensation leave. Employees who pay premiums towards benefits are responsible for their contribution.~~

~~The employee's scheduled merit review date will be adjusted for any time spent by the employee on workers' compensation leave exceeding eighty (80) hours in an appraisal year.~~

~~In addition, time spent on workers' compensation leave will not accrue toward service retirement credit.~~

The District will comply with its obligations under the California Fair Employment and Housing Act (FEHA) in its effort to return employees to work following a work related injury ~~a industrial leave-of-absence.~~

#### ADDITIONAL LEAVES

Employees may take unpaid leave or use any other available time in lieu of unpaid leave.

#### PAID FAMILY (PFL)

If an employee is unable to work due to the injury or illness of a family member, or to bond with a new child, the employee may be entitled to wage loss benefits through Paid Family Leave (PFL). Paid Family Leave is a component of the State Disability Insurance (SDI) program; employees covered by SDI are also covered by PFL. The duration and funding of ~~Both~~ SDI and PFL are funded ~~by an employee payroll tax as~~ determined by state law. ~~No more than six weeks of Paid Family Leave benefits shall be paid within any 12-month period.~~

Consolidated Omnibus Budget Reconciliation Act (COBRA) allows employees to self pay their group health insurance at the employer rates for a specific period of time for covered employees, spouses, and dependent children who lose their coverage due to a "qualifying event."

#### DEFERRED COMPENSATION

The District offers a deferred compensation plan to all employees. The voluntary 457 deferred compensation plan is a tax-deferred, supplemental retirement savings program that allows employees to save for retirement by making contributions to the plan on a pre-tax basis.

#### DISABILITY INSURANCE

The District participates in the State Disability Insurance (SDI) program. Subject to eligibility requirements, SDI pays a weekly benefit based on wages when certain disabilities exceed seven days in duration and for paid family leave. Employees may coordinate SDI with sick leave provided that it does not exceed 100% of their normal wages.

Employees are responsible for filing claims with the Employment Development Department to obtain State Disability Insurance benefits.

#### EMPLOYEE ASSISTANCE PROGRAM

The District provides at no cost an Employee Assistance Program that provides confidential professional assistance for all employees.

#### SECTION 125 PREMIUM ONLY PLAN (POP)

The District offers a Premium Only Plan (POP) to all eligible employees. Under a POP, employees may choose to pay for qualified benefit premiums (or employee contributions) on a pre-tax basis, which results in a reduction to an employee's taxable earnings.

#### UNEMPLOYMENT INSURANCE

Participation in the Unemployment Insurance provided by the State of California's Employment Development Department is mandatory. For more information, employees should contact the Employment Development Department.

#### WORKERS' COMPENSATION

Pursuant to the California Labor Code, all employees are covered by the District's workers compensation program. The program provides medical benefits and wage replacement to employees injured in the course of employment.

The employee must report any work related accident or injury immediately to his or her supervisor. In the event an employee is unable to perform their regular duties, they will be provided modified work, in accordance with state law if work is available. If they are unable to return to work, they will be placed on a workers' compensation leave of absence. The District will pay the

employee's wages for the first three days off work. After three days, the District's workers' compensation insurance provider will make temporary disability payments directly to the employee in an amount equal to  $2/3^{\text{rds}}$  of the employee's normal wages. The temporary disability payments have no mandatory or voluntary deductions withheld.

The employee may elect to supplement the temporary disability payments with the use of accrued leave balances in an amount equal to 100% of normal wages. The supplemental payment made by the District is subject to regular deductions including taxes, retirement contributions, garnishments, medical premiums, supplemental life premiums, AFLAC premiums and union dues. 457 and HSA employee contributions will be suspended.

The employee is eligible for holidays and continues to accrue vacation and sick leave while on workers' compensation leave for the first thirty (30) calendar days. No vacation, holidays or sick leave will be earned or accrued after thirty (30) days on continuous workers' compensation leave.

Health and welfare benefits will continue during the workers' compensation leave. Employees who pay premiums towards benefits are responsible for their contribution.

The employee's scheduled merit review date will be adjusted for any time spent by the employee on workers' compensation leave exceeding eighty (80) hours in an appraisal year.

In addition, time spent on workers' compensation leave will not accrue toward service retirement credit.

The District will comply with its obligations under the California Fair Employment and Housing Act (FEHA) in its effort to return employees to work following a work related injury.

#### ADDITIONAL LEAVES

Employees may take unpaid leave or use any other available time in lieu of unpaid leave.

#### PAID FAMILY (PFL)

If an employee is unable to work due to the injury or illness of a family member, or to bond with a new child, the employee may be entitled to wage loss benefits through Paid Family Leave (PFL). Paid Family Leave is a component of the State Disability Insurance (SDI) program; employees covered by SDI are also covered by PFL. The duration and funding of SDI and PFL are determined by state law.

Paid Family Leave eligibility does not establish a right to a leave of absence but may provide supplemental income while on an approved leave of absence.

## **AGENDA REPORT**

Scotts Valley Water District

**Date:** 02/13/20

**To:** Board of Directors

**Item:** Business 5.3

**Subject:** **Cash Reserves Policy and Investments Policy**

**Reason:** Supports Strategic Goal No. 3 Financial Stewardship

### **SUMMARY**

**Recommendation:** 1) Update Policy P200-17-2 Cash Reserves; and  
2) Adopt Resolution No. 01-20 revising Policy P200-14-1 Investments.

**Fiscal Impact:** No direct impact.

### **Previous Related Action:**

On 02/13/14, the Board adopted Resolution No. 01-14 adopting Policy P200-14-1 Investment.  
On 06/08/17, the Board adopted Resolution No. 13-17 establishing Policy P200-17-2 Cash Reserves.

### **BACKGROUND**

The Cash Reserves Policy and Investments Policy are reviewed periodically to ensure that the policies remain relevant and reflect the best practices, as well as current regulations.

### **DISCUSSION:**

A comprehensive review of both policies was performed. The review identified one revision to the diversification requirements in section 6 of the Investments Policy. No other changes were made to either policy.

Submitted,

Piret Harmon

General Manager

Enclosed: P200-17-2 Cash Reserves  
P200-14-1 Investments  
Resolution No. 01-20



<b>Policy No.:</b> P200-17-2	<b>Type of Policy:</b> Finance
<b>Policy Title:</b> Cash Reserves	
<b>Policy Description:</b> Establishes guidelines for target cash reserves	
<b>Adopted Date:</b> 6/8/17	<b>Rescinded Resolution Date:</b> n/a
<b>Adoption Resolution No.:</b> 13-17	<b>Rescinded Resolution No.:</b> n/a
<b>Review Date:</b> 02/13/20	<b>Next Review Date:</b> 6/01/21

**It is the policy of the Board of Directors of Scotts Valley Water District:**

To establish general guidelines on cash reserves at a level reasonably sufficient for supporting District operations, providing continued investment for maintenance and capital projects and meeting debt service requirements.

The Board authorizes and sets the target cash reserve level to be the aggregate total of the targets for individual reserve categories.

- 1) Operating Reserve: to provide working capital to support the operation, maintenance and administration of the District ensuring that cash flow needs of normal operations are met.
- 2) Rate Stabilization Reserve: to bridge the temporary revenue shortfall resulting from reduced consumption associated with declining water sales or unexpected increase in short-term operation and maintenance expenses.
- 3) Emergency Reserve: to allow the District to provide uninterrupted service in light of a fiscal emergency, natural disaster or major facility failure.
- 4) Capital Reserve: to provide funds for repair, replacement or improvement of District’s infrastructure assets.
- 5) Debt Service Reserve: to ensure adequate funds for full and timely payment of debt obligations.

The appropriate amount of reserves is determined by a variety of factors, such as the operating budget, amount of debt, type of rate structure, frequency of billing and risk of natural disaster.

District’s Reserve Targets are established based on the following criteria

Operating Reserve	90 days of operating expenses
Rate Stabilization Reserve	20% of volumetric water sales revenue
Emergency Reserve	2.5% of asset valuation
Capital Reserve	1 year of depreciation
Debt Service Reserve	100% of debt service

The target reserve level will be calculated and reaffirmed annually in the budget adoption process. The District makes every attempt to maintain target levels. When the reserves are depleted or fall below the established levels, a plan for replenishment is developed as part of the annual strategic plan and budget.

The cash reserves policy is established to provide general guidelines for fiscally responsible cash management. The policy is not intended to set strict limits that must be adhered to in a vacuum. Instead, these guidelines are intended to serve as a decision-making tool in planning for and evaluating activities or transactions that could have a significant impact on the level of cash on hand.

The reserve level as established by this policy meets the requirements set by District’s debt covenant.



<b>Policy No.:</b>	P200-14-1	<b>Type of Policy:</b>	Finance
<b>Policy Title:</b>	Investments		
<b>Policy Description:</b>	<del>Establishes a policy for investment of the District's surplus cash, reserves, trust funds and restricted monies.</del> <u>Establishes guidelines for investment of the District's surplus cash, reserves, trust funds and restricted monies.</u>		
<b>Adopted Date:</b>	02/13/14	<b>Rescinded Resolution Date:</b>	1/13/11
<b>Adoption Resolution No.:</b>	01-14	<b>Rescinded Resolution No.:</b>	01-11
<b>Review Date:</b>	02/13/20	<b>Next Review Date:</b>	02/01/23

**It is the policy of the Board of Directors of Scotts Valley Water District:**

To invest the District's surplus cash, reserves, trust funds and restricted monies in a manner that will provide the highest investment return with the maximum security while meeting the cash flow demands of the District and conforming to all provisions of California Government Code Section 53600, et seq.

1. PRUDENCE: Scotts Valley Water District funds will be invested under the "'prudent investor standard" in California Government Code Section 53600.3.) ~~which states in part:~~

~~...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.~~

2. DELEGATION OF AUTHORITY: Authority to manage the Scotts Valley Water District investment program is derived from the California Government Code Section 53600, et seq. The authority to invest public funds is expressly delegated to the Board of Directors for the subsequent re-delegation to the District General Manager. The District General Manager will establish written procedures for the oper-

ation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the District General Manager.

3. OBJECTIVES: The primary objectives of the Scotts Valley Water District's investment activities in priority order will be as follows:

- A. SAFETY - Safety of principal is the foremost objective of the investment program. The District's investment portfolio will be designed and undertaken in a manner that seeks to ensure the preservation of the principal invested.
- B. LIQUIDITY - The District's investment portfolio will be designed to remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.
- C. RETURN ON INVESTMENTS - The District's investment portfolio will be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

4. PERFORMANCE STANDARDS: The Scotts Valley Water District's investment strategy is passive. Given this strategy, the basis used by the General Manager to determine whether market yields are being achieved will be the 6-month U.S. Treasury Bill and the Federal Funds rate. These indices are considered benchmarks for low risk investment transactions and therefore comprise a minimum standard for the portfolio's rate of return.

5. AUTHORIZED AND ACCEPTABLE INVESTMENTS: Investments will only be made as allowable by law with specific reference to California Government Code Section 53600, et seq., and any other applicable provisions of law. District funds will only be invested in the following investment instruments and within any limits indicated.

- D. LAIF – The Local Agency Investment Fund (LAIF) was created by California Government Code Section 16429.1 through 16429.3. LAIF is an investment pool established and controlled by the State of California to afford smaller agencies the benefits of a large investment portfolio such as higher interest rates and greater diversification. Funds are completely liquid except for a limitation of ten (10) transactions per month.
- E. CALTRUST – The Investment Trust of California (CalTRUST) is a program established by public agencies in California for the purpose of pooling and investing local agency funds. This joint investment pool is authorized by California statute and organized as a Joint Powers Authority (JPA) where all investments comply with the limits and restrictions placed on local investments by the applicable California statutes.
- C. CERTIFICATES OF DEPOSIT – These are receipts for funds deposited in a bank, savings and loan or credit union for a specific term and rate of interest. The total principal and accrued interest per account and institution will not exceed the account or institution maximum statutory limits for

full insurance coverage by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). Further, the financial institution must be a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union.

- D. PASSBOOK SAVINGS ACCOUNTS – This is a regular liquid savings account at a bank, savings and loan or credit union. The total principal and accrued interest per account and institution will not exceed the account or institution maximum statutory limits for full insurance coverage by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) or meet the collateralization requirements for Public Funds accounts. Further, the financial institution must have a branch located in the United States.
- E. U.S. TREASURY AND AGENCY SECURITIES – Government securities and debt obligations issued by the U.S. Government or its agencies which are secured by the full faith and credit of the federal government. Among these are Treasury Bills and Notes; Government National Mortgage Association (Ginnie Mae); Federal National Mortgage Association (Fannie Mae); Federal Land Bank (FLB) and Federal Farm Credit Banks (FFCB). Securities will be held by third party custodial agreement in an acceptable safekeeping account in the District’s name. All confirmation and safekeeping receipts are to be mailed or transmitted directly to the District General Manager for audit.
- F. Any other investment not specifically specified here but which is allowable by all applicable provisions of the law, meets every objective and criteria of this policy and is duly approved by the District Board of Directors.

6. DIVERSIFICATION: The purpose of diversification is to reduce overall portfolio risk while attaining market or benchmark yields. The District will make an effort to diversify its investments by security type and institution, especially when there is no decrease in yield. With the exception of U.S. Treasury/Agency/FDIC insured securities and authorized pools, no more than 50% of the District’s total investment portfolio will be invested in any single security type ~~or with any single financial institution~~. The purchases of certificates of deposit will not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose (California Government Code Section 53601.1).

7. MATURITY OF INVESTMENTS: In order to minimize the impact of market risk, to the maximum extent possible, all investments will be held until maturity. Projected cash flow requirements are the primary factor to be used in determining investment maturity terms. After cash flow needs, have been met, yield considerations will be the next factor in determining maturity terms, with the expectations that longer maturity periods will generally yield greater returns on investments. Investments may be sold before maturity if required for cash flow or appreciation purposes.

The maximum maturity term of any investment will not exceed five (5) years, unless prior expressed authority has been granted by the Board of Directors. The District will diversify its investments by maturity date in order to avoid over concentration in any one specific maturity sector. Investments will

be made so that the maturity date is compatible with cash flow needs.

8. REPORTING: The District's Board of Directors will receive investment reports at least quarterly. The District General Manager will provide to the Board of Directors investment reports which provide a clear picture of the status of the current investment portfolio as required by law (California Government Code Section 53646).

Elements of the report will include the following:

- A. Listing of investments held at the end of the reporting period by authorized investment category to include investment type, issuer names, "days to" maturity, par value amounts, dollar amounts, and market values including the source of valuation.
- B. A listing and description of funds or programs that are under the management of contracted parties.
- C. Percentage of the portfolio represented by each investment category.
- D. Current yield on each investment.
- E. A statement of compliance with the investment policy or an explanation for non-compliance.
- F. A statement of the ability or inability to meet expenditure requirements for six months.

9. ETHICS AND CONFLICTS OF INTEREST: Officers and employees involved in the District's investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers, employees and investment officials involved in the District's investment process will disclose to the District General Manager any material financial interests in financial institutions that conduct business within the jurisdiction of the Scotts Valley Water District, and they will further disclose any large personal/investment positions that could be related to the performance of the District's investment portfolio. Additionally, the District's officers and employees will annually file the applicable financial disclosures as required by the Fair Political Practices Commission.

10. INVESTMENT POLICY ADOPTION: The District's investment policy will be adopted by resolution of the Scotts Valley Water District's Board of Directors and reviewed ~~periodically thereafter~~ no less frequently than every three years.

RESOLUTION No. 01-20  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SCOTTS VALLEY WATER DISTRICT  
REVISING SCOTTS VALLEY WATER DISTRICT POLICY P200-14-1 INVESTMENTS AND RESCINDING  
RESOLUTION No. 14-01

WHEREAS:

1. Scotts Valley Water District Board of Directors adopted its initial Investment Policy by Resolution No. 09-10 on April 15, 2010;
2. The Investment Policy has been revised by Resolution No. 01-11 on January 13, 2011 and by Resolution No. 01-14 on February 13, 2014;
3. District Counsel has determined that Policy P200-14-1 Investments is in compliance with Government Code Section 53600 et seq. regarding the investments of local governmental agencies funds.

THEREFORE BE IT RESOLVED by the Board of Directors of the Scotts Valley Water District that it hereby:

1. Revises Scotts Valley Water District Policy P200-14-01 Investments effective immediately;
2. Rescinds Resolution No. 01-14.

PASSED AND ADOPTED this 13<sup>th</sup> day of February 2020, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Wade Leishman, President  
Board of Directors

Attest: \_\_\_\_\_  
Piret Harmon, General Manager

## **STAFF REPORT - Finance**

Scotts Valley Water District

**Date:** 2/13/20  
**To:** Board of Directors  
**From:** General Manager  
**Item:** Staff Reports 6.3  
**Subject:** **Financial Reports 07/01/19 through 12/31/19**

### **Summary**

Fiscal Year-to-Date (YTD) figures reflect the period of 07/01/19 through 12/31/19. YTD revenues total \$4.2 M and expenses total \$3.4 M.

### **Revenue**

December is the sixth month of the fiscal year and the second month of the November-December potable water billing period. YTD potable water sales revenue is \$2.3 M, water services revenue is \$1.0 M, and new connections revenue is \$396 K. Total YTD revenue in the potable water fund is \$3.8 M, equal to 45% of the budget and 16% higher than the same period last year.

YTD recycled water sales revenue is \$328 K, water services revenue is \$18 K, and revenue from new connections of \$16 K. Total YTD revenue of \$362 K in the recycled water fund equals 46% of the budget, which is 5% lower than for the same period of last fiscal year.

### **Expenses**

Combined operating expenses YTD are below budget, with expenses of \$2.7 M representing 48% of the budget. Project expenditures total \$194 K and the debt service principal payment of \$468K has been made.

### **Fund Balance**

Cash reserves at the end of December were approximately \$3.4 M with another \$1.4 M booked in Accounts Receivable.

### **Enclosed**

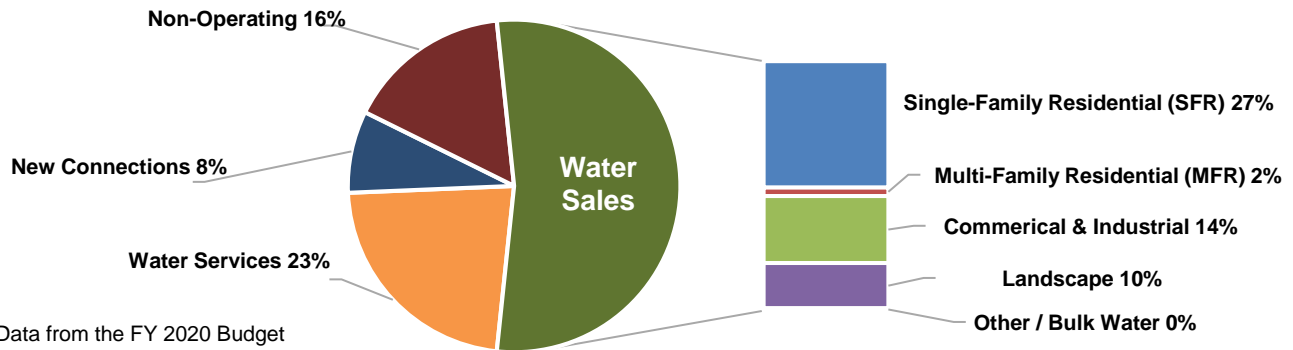
Quarterly Financial Report Q2 of FY 2020  
Budget Status Balance 07/01/19 – 12/31/19  
Budget Status Revenue 07/01/19 – 12/31/19  
Budget Status Expense 07/01/19 – 12/31/19  
Projects Expense 07/01/19 – 12/31/19  
Balance Sheet 12/31/19  
Check Register 12/01/19 – 12/31/19  
Investment Summary 12/31/19

# FY 2020 – Q2 Financial Report

July 1, 2019 – December 31, 2019

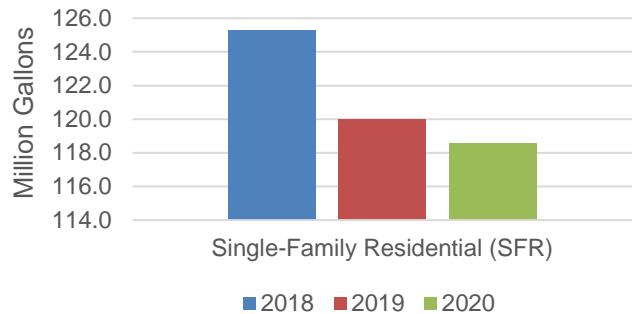
## Revenues

Scotts Valley Water District revenues come from four main sources: Water Sales, Water Services (Ready-to-Serve), New Connections, and Non-Operating\*.



The District's largest revenue category is Single Family Residential (SFR) Water Sales. Revenue from SFR Water Sales for the period of July 2019 through December 2019 is up 9.7% from the same period in the prior year. This increase in revenue is the result of water rate increases, with consumption roughly the same as the prior year.

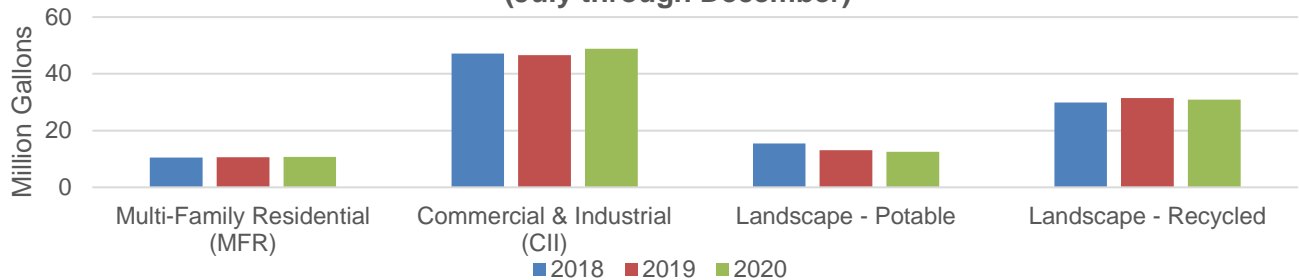
Consumption 3 Year History : SFR (July through December)



## Consumption

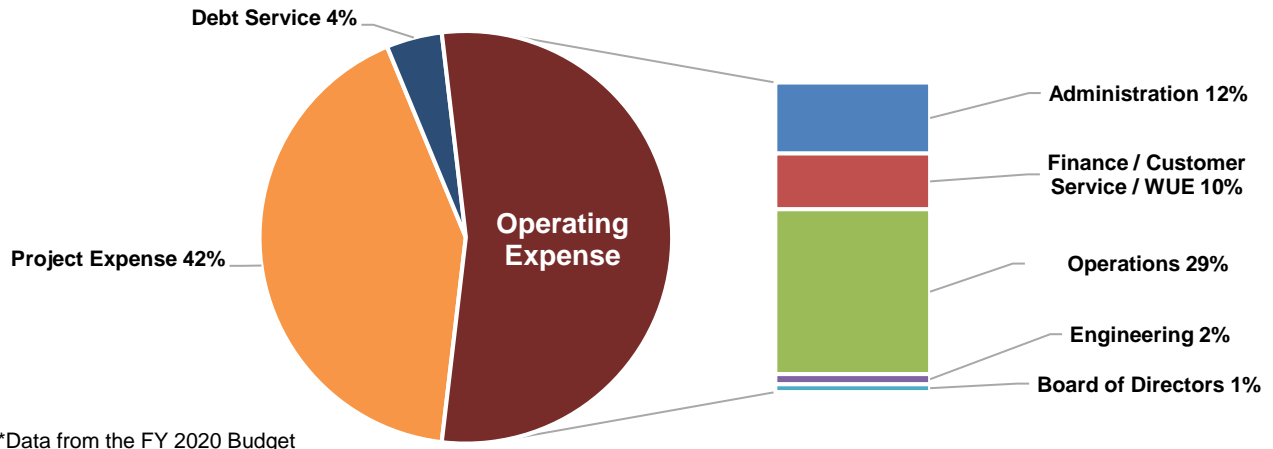
Water consumption by SFR customers from the beginning of the fiscal year through the second quarter is down 1.2% to 118 million gallons from 120 million gallons in FY 2019. Total water consumption in the District is down 1.0%.

Consumption 3 Year History : MFR, CII, Landscape (July through December)



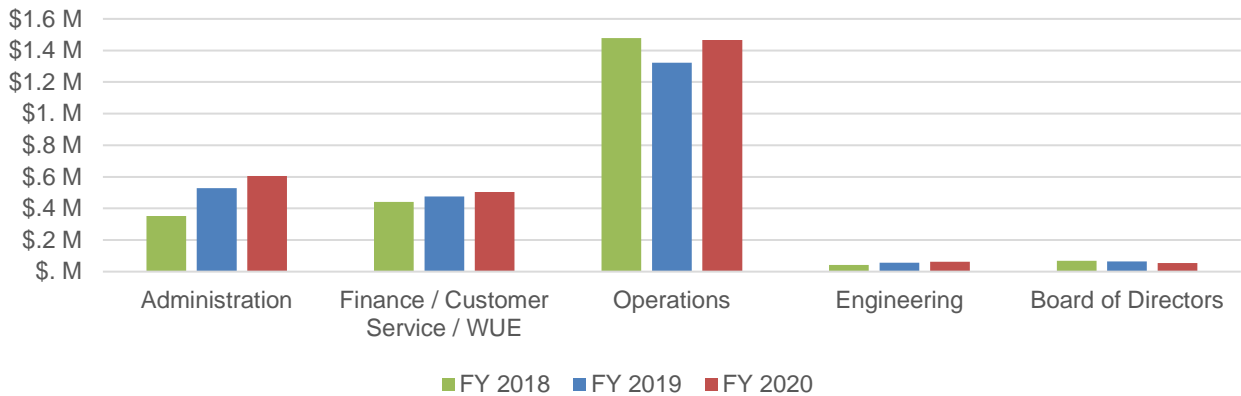
## Expenses

District expenses are comprised of three major categories: Operating Expenses, Project Expenses, and Debt Service. The chart below presents the FY 2020 Budget by expense category, with Operating Expenses broken down by Division\*.



Operating expenses are the organization's largest expense category. District operating expenses reflect the cost to provide high quality water service consistently across the district service area. Operating expenses through Q2 of FY 2020, which accounts for activity from July 2019 through December 2019, are below budget. Total operating expenses in FY 2020 exceed the FY 2019 total by 10.5%. The chart below compares Operating Expenditures by Division for each of the past three fiscal years.

**Operating Expenses 3 Year History by Division  
(July through December)**



**Budget Status - Balance**



**Period: 07/01/19 - 12/31/19**

**FY Remain: 50%**

	<b>FY 2019 YTD Actual</b>	<b>FY 2020 YTD Actual</b>	<b>FY 2020 vs. FY 2019</b>	<b>YOY % change</b>	<b>FY 2020 Budget</b>	<b>FY 2020 Remaining Balance</b>	<b>%</b>
<b>Period: 07/01/19 - 12/31/19 (6 months)</b>							
<b>Potable Water - Fund 01</b>							
Water Sales & Services (R10, R20)	\$ 3,032,178	\$ 3,344,733	\$ 312,555	10%	\$ 6,127,742	\$ 2,783,009	45%
New Connections (R25)	\$ 228,289	\$ 405,215	\$ 176,926	78%	\$ 1,468,132	\$ 1,062,917	72%
Other Revenue (R30, R40)	\$ 39,290	\$ 76,828	\$ 37,538	96%	\$ 940,352	\$ 863,524	92%
<b>Potable Water Total</b>	<b>\$ 3,299,757</b>	<b>\$ 3,826,776</b>	<b>\$ 527,019</b>	<b>16%</b>	<b>\$ 8,536,226</b>	<b>\$ 4,709,450</b>	<b>55%</b>
<b>Recycled Water - Fund 02</b>							
Water Sales & Services (R10, R20)	\$ 337,199	\$ 346,159	\$ 8,961	3%	\$ 535,301	\$ 189,142	35%
New Connections (R25)	\$ 42,265	\$ 15,978	\$ (26,287)	-62%	\$ 90,869	\$ 74,891	82%
Other Revenue (R30, R40)	\$ 2,550	\$ 581	\$ (1,969)	-77%	\$ 170,617	\$ 170,036	100%
<b>Recycled Water Total</b>	<b>\$ 382,014</b>	<b>\$ 362,718</b>	<b>\$ (19,296)</b>	<b>-5%</b>	<b>\$ 796,787</b>	<b>\$ 434,069</b>	<b>54%</b>
<b>TOTAL REVENUE</b>	<b>\$ 3,681,771</b>	<b>\$ 4,189,494</b>	<b>\$ 507,723</b>	<b>14%</b>	<b>\$ 9,333,013</b>	<b>\$ 5,143,519</b>	<b>55%</b>
<b>Expenses - Fund 01 and Fund 02 Combined</b>							
Salaries & Benefits (E01)	\$ 1,406,880	\$ 1,476,588	\$ 69,708	5%	\$ 2,912,312	\$ 1,435,724	49%
Services & Supplies (E03-E80)	\$ 1,041,293	\$ 1,225,577	\$ 184,283	18%	\$ 2,746,154	\$ 1,520,577	55%
Project Expenses	\$ 496,721	\$ 193,951	\$ (302,770)	-61%	\$ 4,412,000	\$ 4,218,049	96%
Debt Service - Principal	\$ 460,030	\$ 468,579	\$ 8,549	2%	\$ 460,030	\$ (8,549)	-2%
<b>TOTAL EXPENSES *</b>	<b>\$ 3,404,925</b>	<b>\$ 3,364,695</b>	<b>\$ (40,230)</b>	<b>-1%</b>	<b>\$ 10,530,496</b>	<b>\$ 7,165,801</b>	<b>68%</b>
<b>NET REVENUE</b>	<b>\$ 276,846</b>	<b>\$ 824,800</b>	<b>\$ 547,954</b>		<b>\$ (1,197,483)</b>	<b>\$ (2,022,283)</b>	
<b>Period: 07/01/19 - 12/31/19 (6 months)</b>							
Total Revenue	\$ 3,681,771	\$ 4,189,494	\$ 507,723	14%	\$ 9,333,013	\$ 5,143,519	55%
Total Expenses *	\$ 3,404,925	\$ 3,364,695	\$ (40,230)	-1%	\$ 10,530,496	\$ 7,165,801	68%
<b>Net Revenue</b>	<b>\$ 276,846</b>	<b>\$ 824,800</b>	<b>\$ 547,954</b>		<b>\$ (1,197,483)</b>		
<b>Period: 07/01/19 - 11/30/19 (5 months)</b>							
Total Revenue	\$ 3,021,722	\$ 3,444,252	\$ 422,530	14%	\$ 9,333,013	\$ 5,888,761	63%
Total Expenses *	\$ 2,820,715	\$ 2,816,689	\$ (4,026)	0%	\$ 10,530,496	\$ 7,713,807	73%
<b>Net Revenue</b>	<b>\$ 201,008</b>	<b>\$ 627,564</b>	<b>\$ 426,556</b>		<b>\$ (1,197,483)</b>		

\* Expense totals do not include depreciation expense

# Budget Status - Revenue



Period: 07/01/19 - 12/31/19

FY Remain: 50%

Fund 01	Potable Water	FY 2019 YTD Actual	FY 2020 YTD Actual	FY 2020 vs. FY 2019	YOY % change	FY 2020 Budget	FY 2020 Remaining Balance	%
R10	Operating Revenue - Water Sales							
01-000-41101	Residential Consumption - SF	\$ 1,212,113	\$ 1,316,807	\$ 104,694	9%	\$ 2,321,579	\$ 1,004,772	43%
01-000-41102	Residential Consumption - MF	\$ 78,909	\$ 87,215	\$ 8,306	11%	\$ 167,537	\$ 80,322	48%
01-000-41103	CII Consumption - Commercial	\$ 546,325	\$ 606,729	\$ 60,403	11%	\$ 1,231,742	\$ 625,013	51%
01-000-41106	CII Consumption - Other	\$ 52,461	\$ 78,125	\$ 25,665	49%	\$ -	\$ (78,125)	
01-000-41105	Irrigation Consumption	\$ 205,661	\$ 230,720	\$ 25,059	12%	\$ 324,929	\$ 94,209	29%
01-000-41200	Other - Bulk Water	\$ 25,165	\$ 19,243	\$ (5,923)	-24%	\$ 16,000	\$ (3,243)	-20%
	R10 Sub Totals:	\$ 2,120,635	\$ 2,338,839	\$ 218,205	10%	\$ 4,061,787	\$ 1,722,948	42%
R20	Operating Revenue - Water Services							
01-000-41300	Other - Late Penalty	\$ 13,170	\$ 12,260	\$ (910)	-7%	\$ 27,260	\$ 15,000	55%
01-000-42100	Standby Basic Meter Charge	\$ 867,678	\$ 960,279	\$ 92,601	11%	\$ 1,975,029	\$ 1,014,750	51%
01-000-42121	Standby FP Basic Meter Charge	\$ 23,970	\$ 27,779	\$ 3,809	16%	\$ 50,397	\$ 22,618	45%
01-000-43300	Other Operating Revenue	\$ 6,725	\$ 5,575	\$ (1,150)	-17%	\$ 13,269	\$ 7,694	58%
	R20 Sub Totals:	\$ 911,543	\$ 1,005,894	\$ 94,350	10%	\$ 2,065,955	\$ 1,060,062	51%
R25	Operating Revenue - New Connections							
01-000-42101	Other Meter Fee	\$ 3,178	\$ 6,189	\$ 3,011	95%	\$ 12,093	\$ 5,904	49%
01-000-42102	Other Capacity Fee	\$ 223,271	\$ 395,764	\$ 172,493	77%	\$ 1,448,187	\$ 1,052,423	73%
01-000-42120	Other FP Meter Fee	\$ 1,340	\$ 2,512	\$ 1,172	87%	\$ 4,946	\$ 2,434	49%
01-000-43100	Other Will Serve	\$ 500	\$ 750	\$ 250	50%	\$ 788	\$ 38	5%
01-000-43200	Other Dev Proj Review	\$ -	\$ -	\$ -		\$ 2,118	\$ 2,118	100%
	R25 Sub Totals:	\$ 228,289	\$ 405,215	\$ 176,926	78%	\$ 1,468,132	\$ 1,062,917	72%
R30	Non-Operating Revenue - Other							
01-000-46000	Property Taxes	\$ 25,368	\$ 24,286	\$ (1,082)	-4%	\$ 920,746	\$ 896,460	97%
01-000-47110	Interest & Dividend	\$ 2,867	\$ 14	\$ (2,853)	-100%	\$ 4,869	\$ 4,855	100%
01-000-47120	Interest - LAIF	\$ 7,452	\$ 17,052	\$ 9,600	129%	\$ 11,737	\$ (5,315)	-45%
01-000-47520	Misc. Non-Operating Revenue	\$ 2,883	\$ 35,476	\$ 32,593	1130%	\$ 3,000	\$ (32,476)	-1083%
	R30 Sub Totals:	\$ 38,570	\$ 76,828	\$ 38,258	99%	\$ 940,352	\$ 863,524	92%
R40	Non-Operating Revenue - Grants							
01-000-45260	Local Grant - ACWA JPIA	\$ 720	\$ -	\$ (720)	-100%	\$ -	\$ -	
	R40 Sub Totals:	\$ 720	\$ -	\$ (720)	-100%	\$ -	\$ -	
	<b>Fund 01 Revenue:</b>	<b>\$ 3,299,757</b>	<b>\$ 3,826,776</b>	<b>\$ 527,019</b>	<b>16%</b>	<b>\$ 8,536,226</b>	<b>\$ 4,709,450</b>	<b>55%</b>
	Fund 01 Rev Excl Grants & Cap Contributions	\$ 3,299,037	\$ 3,826,776	\$ 527,739	16%	\$ 8,536,226	\$ 4,709,450	55%

# Budget Status - Revenue



Period: 07/01/19 - 12/31/19

FY Remain: 50%

		FY 2019 YTD Actual	FY 2020 YTD Actual	FY 2020 vs. FY 2019	YOY % change	FY 2020 Budget	FY 2020 Remaining Balance	%
<b>Fund 02</b>	<b>Recycled Water</b>							
R10	Operating Revenue - Water Sales							
02-000-41105	Irrigation Consumption	\$ 310,704	\$ 324,290	\$ 13,586	4%	\$ 465,177	\$ 140,887	30%
02-000-41200	Other - Bulk Water	\$ 15,050	\$ 3,820	\$ (11,230)	-75%	\$ 25,000	\$ 21,180	85%
	R10 Sub Totals:	\$ 325,754	\$ 328,110	\$ 2,356	1%	\$ 490,177	\$ 162,067	33%
R20	Operating Revenue - Water Services							
02-000-42100	Standby Basic Meter Charge	\$ 11,370	\$ 18,049	\$ 6,679	59%	\$ 45,124	\$ 27,075	60%
02-000-43300	Other Operating Revenue	\$ 75	\$ -	\$ (75)	-100%	\$ -	\$ -	-
	R20 Sub Totals:	\$ 11,445	\$ 18,049	\$ 6,604	58%	\$ 45,124	\$ 27,075	60%
R25	Operating Revenue - New Connections							
02-000-42101	Other Meter Fee	\$ 448	\$ 327	\$ (121)	73%	\$ -	\$ (327)	-
02-000-42102	Other Capacity Fee	\$ 41,817	\$ 15,651	\$ (26,166)	-63%	\$ 90,869	\$ 75,218	83%
	R25 Sub Totals:	\$ 42,265	\$ 15,978	\$ (26,287)	-62%	\$ 90,869	\$ 74,891	82%
R30	Non-Operating Revenue - Other							
02-000-47110	Interest & Dividend	\$ 2,550	\$ 581	\$ (1,969)	-77%	\$ 7,598	\$ 7,017	92%
02-000-47560	Reduction of RW Entitlement	\$ -	\$ -	\$ -	-	\$ 163,019	\$ 163,019	100%
	R30 Sub Totals:	\$ 2,550	\$ 581	\$ (1,969)	-77%	\$ 170,617	\$ 170,036	100%
	<b>Fund 02 Revenue:</b>	<b>\$ 382,014</b>	<b>\$ 362,718</b>	<b>\$ (19,296)</b>	<b>-5%</b>	<b>\$ 796,787</b>	<b>\$ 434,069</b>	<b>54%</b>
	Fund 02 Rev Excl Grants & Cap Contributions	\$ 382,014	\$ 362,718	\$ (19,296)	-5%	\$ 796,787	\$ 434,069	54%
<b>Revenue Totals:</b>		<b>\$ 3,681,771</b>	<b>\$ 4,189,494</b>	<b>\$ 507,723</b>	<b>14%</b>	<b>\$ 9,333,013</b>	<b>\$ 5,143,519</b>	<b>55%</b>
Revenue Total Excl Grants & Cap Contributions		\$ 3,681,051	\$ 4,189,494	\$ 508,443	14%	\$ 9,333,013	\$ 5,143,519	55%

# Budget Status - Expense



Period: 07/01/19 - 12/31/19

FY Remain: 50%

		FY 2019 YTD Actual	FY 2020 YTD Actual	FY 2020 vs. FY 2019	YOY % change	FY 2020 Budget	FY 2020 Remaining Balance	%
<b>Fund 01 and Fund 02 Combined</b>								
<b>Dept</b>	<b>Administration</b>							
E01	Salaries & Benefits (2.5 FTE)	\$ 257,611	\$ 301,285	\$ 43,674	17%	\$ 571,864	\$ 270,579	47%
E03	General & Admin - Services	\$ 134,754	\$ 144,034	\$ 9,280	7%	\$ 326,074	\$ 182,040	56%
E05	General & Admin - Supplies	\$ 10,339	\$ 13,649	\$ 3,310	32%	\$ 17,550	\$ 3,901	22%
E10	Source of Supply	\$ 125,664	\$ 148,521	\$ 22,858	18%	\$ 381,821	\$ 233,300	61%
	<b>Dept 100 Sub Totals:</b>	<b>\$ 528,367</b>	<b>\$ 607,489</b>	<b>\$ 79,122</b>	<b>15%</b>	<b>\$ 1,297,309</b>	<b>\$ 689,820</b>	<b>53%</b>
<b>Dept</b>	<b>Finance/Customer Service</b>							
E01	Salaries & Benefits (4 FTE)	\$ 207,637	\$ 279,478	\$ 71,842	35%	\$ 537,783	\$ 258,305	48%
E03	General & Admin - Services	\$ 97,257	\$ 91,986	\$ (5,271)	-5%	\$ 205,303	\$ 113,317	55%
E05	General & Admin - Supplies	\$ -	\$ 200	\$ 200		\$ 9,000	\$ 8,800	98%
E35	Customer Accounts	\$ 51,019	\$ 89,622	\$ 38,603	76%	\$ 180,138	\$ 90,516	50%
E70	Other	\$ 649	\$ 508	\$ (141)	-22%	\$ 1,000	\$ 492	49%
E80	Debt Service - Interest	\$ 47,443	\$ 43,083	\$ (4,360)	-9%	\$ 86,358	\$ 43,275	50%
	<b>Dept 200 Sub Totals:</b>	<b>\$ 404,004</b>	<b>\$ 504,877</b>	<b>\$ 100,873</b>	<b>25%</b>	<b>\$ 1,019,582</b>	<b>\$ 514,705</b>	<b>50%</b>
<b>Dept</b>	<b>Operations</b>							
E01	Salaries & Benefits (11 FTE)	\$ 784,806	\$ 796,418	\$ 11,612	1%	\$ 1,589,424	\$ 793,006	50%
E03	General & Admin - Services	\$ 66,797	\$ 85,957	\$ 19,160	29%	\$ 192,400	\$ 106,443	55%
E05	General & Admin - Supplies	\$ 13,930	\$ 15,991	\$ 2,061	15%	\$ 30,500	\$ 14,509	48%
E07	General Production	\$ 36,944	\$ 67,938	\$ 30,994	84%	\$ 86,100	\$ 18,162	21%
E10	Source of Supply	\$ 169	\$ 111,816	\$ 111,647	66071%	\$ 130,000	\$ 18,184	14%
E15	Pumping	\$ 179,490	\$ 219,193	\$ 39,703	22%	\$ 386,930	\$ 167,737	43%
E20	Water Treatment	\$ 150,291	\$ 107,408	\$ (42,883)	-29%	\$ 448,000	\$ 340,592	76%
E25	Transmission & Distribution	\$ 68,183	\$ 44,559	\$ (23,624)	-35%	\$ 134,100	\$ 89,541	67%
E35	Conservation	\$ -	\$ -	\$ -		\$ 2,000	\$ 2,000	100%
E70	Other	\$ 21,619	\$ 21,619	\$ -	0%	\$ -	\$ (21,619)	
	<b>Dept 300 Sub Totals:</b>	<b>\$ 1,322,228</b>	<b>\$ 1,470,899</b>	<b>\$ 148,671</b>	<b>11%</b>	<b>\$ 2,999,454</b>	<b>\$ 1,528,555</b>	<b>51%</b>
<b>Dept</b>	<b>Engineering</b>							
E01	Salaries & Benefits (1 FTE)	\$ 45,801	\$ 46,807	\$ 1,006	2%	\$ 95,241	\$ 48,434	51%
E03	General & Admin - Services	\$ 11,189	\$ 16,697	\$ 5,508	49%	\$ 90,210	\$ 73,513	81%
E05	General & Admin - Supplies	\$ -	\$ -	\$ -		\$ 1,000	\$ 1,000	100%
	<b>Dept 400 Sub Totals:</b>	<b>\$ 56,990</b>	<b>\$ 63,504</b>	<b>\$ 6,514</b>	<b>11%</b>	<b>\$ 186,451</b>	<b>\$ 122,947</b>	<b>66%</b>
<b>Dept</b>	<b>WUE/Conservation</b>							
E01	Salaries & Benefits	\$ 52,558	\$ -	\$ (52,558)	-100%	\$ -	\$ -	
E03	General & Admin - Services	\$ 3,295	\$ -	\$ (3,295)	-100%	\$ -	\$ -	
E05	General & Admin - Supplies	\$ 16,512	\$ -	\$ (16,512)	-100%	\$ -	\$ -	
	<b>Dept 500 Sub Totals:</b>	<b>\$ 72,364</b>	<b>\$ -</b>	<b>\$ (72,364)</b>	<b>-100%</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Dept</b>	<b>Board of Directors</b>							
E01	Salaries & Benefits (5)	\$ 58,468	\$ 52,600	\$ (5,868)	-10%	\$ 118,000	\$ 65,400	55%
E03	General & Admin - Services	\$ 5,726	\$ 2,795	\$ (2,931)	-51%	\$ 22,820	\$ 20,025	88%
E05	General & Admin - Supplies	\$ 26	\$ -	\$ (26)	-100%	\$ 850	\$ 850	100%
	<b>Dept 900 Sub Totals:</b>	<b>\$ 64,220</b>	<b>\$ 55,395</b>	<b>\$ (8,824)</b>	<b>-14%</b>	<b>\$ 141,670</b>	<b>\$ 86,275</b>	<b>61%</b>

Includes 1.0 FTE Admin Office Assistant  
(offset by Non-Operating Revenue)

FY 20 includes W.U.E. Coordinator &  
Services/Supplies

# Budget Status - Expense



Period: 07/01/19 - 12/31/19

FY Remain: 50%

		FY 2019 YTD Actual	FY 2020 YTD Actual	FY 2020 vs. FY 2019	YOY % change	FY 2020 Budget	FY 2020 Remaining Balance	%
<b>Summary</b>								
E01	Salaries & Benefits	\$ 1,406,880	\$ 1,476,588	\$ 69,708	5%	\$ 2,912,312	\$ 1,435,724	49%
E03	General & Admin - Services	\$ 319,017	\$ 341,469	\$ 22,451	7%	\$ 836,807	\$ 495,338	59%
E05	General & Admin - Supplies	\$ 40,807	\$ 29,841	\$ (10,966)	-27%	\$ 58,900	\$ 29,059	49%
E07	General Production	\$ 36,944	\$ 67,938	\$ 30,994	84%	\$ 86,100	\$ 18,162	21%
E10	Source of Supply	\$ 125,832	\$ 260,337	\$ 134,505	107%	\$ 511,821	\$ 251,484	49%
E15	Pumping	\$ 179,490	\$ 219,193	\$ 39,703	22%	\$ 386,930	\$ 167,737	43%
E20	Water Treatment	\$ 150,291	\$ 107,408	\$ (42,883)	-29%	\$ 448,000	\$ 340,592	76%
E30	Conservation	\$ -	\$ -	\$ -		\$ 2,000	\$ 2,000	100%
E25	Transmission & Distribution	\$ 68,183	\$ 44,559	\$ (23,624)	-35%	\$ 134,100	\$ 89,541	67%
E35	Customer Accounts	\$ 51,668	\$ 89,622	\$ 37,954	73%	\$ 181,138	\$ 91,008	50%
E70	Other	\$ 21,619	\$ 22,127	\$ 508	2%	\$ -	\$ (21,619)	
E80	Debt Service - Interest	\$ 47,443	\$ 43,083	\$ (4,360)	-9%	\$ 86,358	\$ 43,275	50%
	Purchase Order Carryover					\$ 14,000		
<b>District Expense Total:</b>		<b>\$ 2,448,174</b>	<b>\$ 2,702,165</b>	<b>\$ 253,991</b>	<b>10%</b>	<b>\$ 5,658,466</b>	<b>\$ 2,942,301</b>	<b>52%</b>
<b>Fund 01 and 02 Combined</b>								
E01	Salaries & Benefits	\$ 1,406,880	\$ 1,476,588	\$ 69,708	5%	\$ 2,912,312	\$ 1,435,724	49%
E03-E80	Services & Supplies	\$ 1,041,293	\$ 1,225,577	\$ 184,283	18%	\$ 2,732,154	\$ 1,506,577	55%
	Purchase Order Carryover					\$ 14,000		
<b>District Expense Total:</b>		<b>\$ 2,448,174</b>	<b>\$ 2,702,165</b>	<b>\$ 253,991</b>	<b>10%</b>	<b>\$ 5,658,466</b>	<b>\$ 2,942,301</b>	<b>52%</b>

# Projects - Expense



Period: 07/01/19 - 12/31/19

FY Remain: 50%

		FY 2020 YTD Actual	FY 2020 Budget	FY 2020 Remaining Balance	%
<b>Fund 01 and Fund 02 Combined</b>					
<b>Project</b>	<b>Description</b>				
C15016	Accounting & UB S/W Replacement	\$ -	\$ 20,000	\$ 20,000	100%
C15021	Purified Recycled Water Recharge	\$ 4,182	\$ 525,000	\$ 520,818	99%
C16023	Orchard Run WTP Improvements	\$ -	\$ 2,200,000	\$ 2,200,000	100%
C16024	Bethany Tank Rehabilitation	\$ 19,757	\$ 200,000	\$ 180,243	90%
M17011	Meter Replacement Program	\$ 78,063	\$ 150,000	\$ 71,937	48%
C17011	AMI Technology for Meters	\$ 56,748	\$ 200,000	\$ 143,252	72%
C17018	Specialized Operations Vehicle	\$ 3,650	\$ 230,000	\$ 226,350	98%
C18035	Sequoia Tank Rehabilitation	\$ 4,684	\$ 400,000	\$ 395,316	99%
C19020	El Pueblo WTP Improvements	\$ -	\$ 100,000	\$ 100,000	100%
C19030	Hacienda Pump Station Improvements	\$ -	\$ 100,000	\$ 100,000	100%
C20010	Main Replacement Program - PW	\$ 1,107	\$ 150,000	\$ 148,893	99%
C20040	Administrative Building Improvements	\$ 25,760	\$ 50,000	\$ 24,240	48%
tbd	FY 20 Vehicle Replacement Program	\$ -	\$ 37,000	\$ 37,000	100%
tbd	Treatment Facility for New Production Well	\$ -	\$ 50,000	\$ 50,000	100%
<b>Projects Expense Totals:</b>		<b>\$ 193,951</b>	<b>\$ 4,412,000</b>	<b>\$ 4,218,049</b>	<b>96%</b>

# Balance Sheet



## Fund 01 and Fund 02 Combined

	12/31/18	12/31/19
<b>Assets</b>		
Cash	\$1,521,386	\$3,359,015
Investment	\$308,937	\$0
Accrued Interest	\$4,044	\$13,290
A/R Customer-Water	\$1,186,791	\$1,403,592
A/R - Other	\$169,439	\$221,422
Interfund Loan Receivable	\$368,440	\$888,040
Inventory	\$211,827	\$232,601
Prepaid Expense	\$78,375	\$98,878
Note Receivable	\$392,431	\$229,412
JPA Investment	\$0	\$332,010
Land & Right-of-ways	\$650,697	\$650,697
Construction-in-progress	\$585,149	\$621,863
Water Rights / Intangible Assets	\$5,267,833	\$5,267,833
Plant & Equipment	\$37,471,983	\$38,053,522
Depreciation/Amortization	(\$21,672,284)	(\$22,757,538)
Loss on Defeasance of Debt	\$36,171	\$0
Deferred Pension Outflows	\$656,179	\$680,989
Deferred OPEB Liability	\$0	\$153,549
	<b>\$27,237,398</b>	<b>\$29,449,174</b>
<b>Liabilities</b>		
A/P & Accrued Expenses	\$11,420	\$7,634
Accrued Salaries & Wages	\$0	\$0
Accrued Interest Payable	\$0	\$2,000
Customer Deposits	\$55,000	\$66,210
Interfund Loans	\$368,440	\$888,040
LT Liabilities Due in 1 Yr	\$25,862	\$30,508
Unearned Revenue	(\$70,906)	\$67,703
Long-term Liabilities	\$10,168,744	\$9,589,006
Deferred Pension Inflows	\$183,523	\$212,281
	<b>\$10,742,083</b>	<b>\$10,863,382</b>
<b>Fund Balance</b>		
Investment in Capital Assets	\$16,700,287	\$16,974,413
Unrestricted Net Position	(\$1,338,284)	\$116,146
	<b>\$15,362,003</b>	<b>\$17,090,559</b>
Total Liabilities and Fund Balance:	\$26,104,086	\$27,953,941
Total Retained Earnings:	\$1,133,312	\$1,495,233
Total Fund Balance and Retained Earnings:	\$16,495,315	\$18,585,792
<b>Total Liabilities, Fund Balance, and Retained Earnings:</b>	<b>\$27,237,398</b>	<b>\$29,449,174</b>

Scotts Valley Water District  
AP Check Register  
December 2019

Vendor Name	Check Date	Check No.	Check Amount	Description
ACCELA INC.	12/6/2019	28245	\$ 1,829.00	Web Payment Transaction Fees - Nov 2019
ACCELA INC.	12/27/2019	28307	\$ 439.00	Web Payment Transaction Fees - Oct 2019
ACWA/JPIA	12/27/2019	28308	\$ 39,012.85	EE and Retiree Benefits - Jan 2020
ADAM THOMAS	12/6/2019	28246	\$ 100.00	Customer Rebate - Toilet
AFLAC	12/6/2019	28247	\$ 380.18	EE Self-Funded Supplemental Benefits - Nov 2019
AFSCME COUNCIL 57	12/27/2019	28309	\$ 607.74	Union Dues - Jan 2020
AFSCME COUNCIL 57	12/6/2019	28248	\$ 607.74	Union Dues - Dec 2019
AUTOMATIONDIRECT.COM INC	12/27/2019	28310	\$ 270.32	Electrical Supplies - Level Transducers
AWWA-CA/NV SECTION	12/27/2019	28311	\$ 80.00	Cross Connection Specialist Renewal - Albert
BADGER METER	12/6/2019	28249	\$ 19,580.76	Meter Purchases - Qty: 144
BADGER METER	12/6/2019	28249	\$ 18,887.52	AMI Endpoints - Qty: 192
BADGER METER	12/6/2019	28249	\$ 2,742.09	Cell Charge for PW Meter Reads - Nov 2019
BADGER METER	12/6/2019	28249	\$ 59.63	Cell Charge for RW Meter Reads - Nov 2019
BAYSIDE EQUIPMENT COMPANY	12/27/2019	28312	\$ 1,058.00	Generator Rental - Hacienda Booster
BAYSIDE EQUIPMENT COMPANY	12/27/2019	28312	\$ 1,550.00	Generator Rental - Sand Hill Booster
BAYSIDE OIL II INC	12/27/2019	28313	\$ 585.00	Waste Diesel - Monte Fiori Booster
BEATTY DAVE	12/27/2019	28314	\$ 50.00	Customer Rebate - Pressure Regulator
BENEDUM STEVE	12/6/2019	28250	\$ 893.26	SA-74 Devt Project Review Deposit - Refund Remainder
BRENTAG PACIFIC INC	12/6/2019	28251	\$ 2,971.03	Water Treatment Chemicals
BROCCHINI MARIO	12/6/2019	28252	\$ 308.87	SA-105 Devt Project Review Deposit - Refund Remainder
BUGNA MARY	12/6/2019	28253	\$ 611.73	UB Refund Check - 006457-000
CANNON-SCOTT RYAN	12/6/2019	28254	\$ 7.01	UB Refund Check - 011635-000
CHASE	12/6/2019	28255	\$ 43,082.79	Debt Service Interest Payment - 2016 JPMorgan Chase Loan
CITY OF SCOTTS VALLEY	12/27/2019	28316	\$ 92.98	Bi-Monthly Sewer Service - 2 Civic Ctr
CITY OF SCOTTS VALLEY	12/27/2019	28316	\$ 92.98	Bi-Monthly Sewer Service - El Pueblo
CITY OF SCOTTS VALLEY	12/27/2019	28316	\$ 10,255.96	Bi-Monthly Treatment Disposal - Well 10
CITY OF SCOTTS VALLEY	12/27/2019	28316	\$ 240.00	Bacti Samples - Nov 2019
CITY VENTURES HOMEBUILDING LLC	12/6/2019	28256	\$ 94.50	UB Refund Check - 012467-000
CITY VENTURES HOMEBUILDING LLC	12/27/2019	28317	\$ 75.88	UB Refund Check - 011951-000
CIVIL CONSULTANTS GROUP INC	12/27/2019	28318	\$ 565.00	Engineering Services - Well 10 Acquisition Exhibit
CIVIL CONSULTANTS GROUP INC	12/27/2019	28318	\$ 860.00	SA-153 Plan Review
CIVIL CONSULTANTS GROUP INC	12/27/2019	28318	\$ 480.00	General Engineering Services - Dec 2019
CIVIL CONSULTANTS GROUP INC	12/27/2019	28318	\$ 1,600.00	Sequoia Tank Rehab - Bidding Support
CIVIL CONSULTANTS GROUP INC	12/27/2019	28318	\$ 430.00	Bethany 2nd Tank - Oversee Structural Engineer Report/Design
COUNTY OF SANTA CRUZ	12/27/2019	28319	\$ 2,334.32	Landfill Waste - Nov 2019
COUNTY OF SANTA CRUZ	12/27/2019	28320	\$ 1,335.07	GIS Pictometry / Orthophotography Services
COX GREGORY	12/27/2019	28321	\$ 50.00	Customer Rebate - Pressure Regulator
CSMFO	12/6/2019	28257	\$ 40.00	CSMFO Chapter Meeting - Kurns
CUEMA	12/27/2019	28322	\$ 400.00	Annual CUEMA Membership - Harmon
DASSELS PETROLEUM	12/27/2019	28323	\$ 1,245.75	Vehicle Fuel - Nov 2019
DUCKETT MICHAEL	12/6/2019	28258	\$ 100.00	Customer Rebate - Toilet
DYNAMIC FUEL SOLUTIONS	12/27/2019	28324	\$ 1,020.44	Vehicle Maint - Fuel Polishing / Waste Consolidation
E&S TRUCKING	12/27/2019	28325	\$ 3,800.00	Orchard Run Wastewater - Oct-Nov 2019
ECOLOGY ACTION OF SANTA CRUZ	12/6/2019	28259	\$ 307.71	T - Localizing California Waters - Ravinale - Lodging
ENVIRONMENTAL SCIENCE ASSOCIATES	12/6/2019	28260	\$ 4,181.84	Purified RW Recharge - Kickoff Meeting & Project Management
EUROFINS EATON ANALYTICAL	12/6/2019	28261	\$ 960.00	Lab Testing for Water Quality
EXCEEDIO	12/6/2019	28262	\$ 5,358.10	Managed Services: HaaS/SaaS/ITaaS - Dec 2019
EXCEEDIO	12/6/2019	28262	\$ 1,073.00	Managed Services: SCADA - Dec 2019
FLORES CARLOS	12/27/2019	28326	\$ 60.00	T2 Cert Fee - Flores
GOVERNMENT FINANCE OFFICERS ASSOC	12/27/2019	28327	\$ 160.00	Annual GFOA Membership - Kurns
GRAINGER	12/27/2019	28328	\$ 52.55	Rain Pants
GRAINGER	12/6/2019	28263	\$ 101.10	Treatment Plant Maint - Air Line Tubing
GRAINGER	12/27/2019	28328	\$ 388.09	Rain Boots - DeBrito & Flores
GRAINGER	12/27/2019	28328	\$ (129.35)	Return Credit - Rain Boots - Flores
GRANITE CONSTRUCTION CO	12/27/2019	28329	\$ 639.16	Aggregatebase - Retaining Wall @ El Pueblo
GRANITE CONSTRUCTION CO	12/6/2019	28264	\$ 83.46	Main Maint - Aggregatebase
GRANITE ROCK COMPANY	12/6/2019	28265	\$ 127.49	Main Maint - Utility Trench sand
GRANITE ROCK COMPANY	12/27/2019	28330	\$ 140.90	Service Line Maint - Utility Trench Sand
GRASSO TIMOTHY RAYMOND	12/6/2019	28266	\$ 101.92	UB Refund Check - 005921-000
GREEN WASTE RECOVERY INC	12/27/2019	28331	\$ 254.53	Trash Service - El Pueblo - Nov 2019
HAIGHT ROBERT	12/6/2019	28267	\$ 494.36	Retiree Medical - Dec 2019
HARMON PIRET	12/27/2019	28332	\$ 251.00	T - ACWA Fall Conf - Harmon - Per Diem
HAYES MARY	12/6/2019	28268	\$ 50.00	Customer Rebate - Pressure Regulator
HILL BROTHERS CHEMICAL CO	12/27/2019	28333	\$ 830.85	Orchard Run Water Treatment Chemicals
HOPKINS TECHNICAL PRODUCTS INC	12/6/2019	28269	\$ 4,132.72	Treatment Plant Maint - Chemical Feed Pumps & Spare Parts
ICON CLOUD SOLUTIONS LLC	12/27/2019	28334	\$ 458.54	Phone Service - Dec 2019
ICON CLOUD SOLUTIONS LLC	12/27/2019	28334	\$ 458.54	Phone Service - Nov 2019
ICONIX WATERWORKS (US) INC	12/27/2019	28335	\$ 1,615.45	Fire Hydrant Replacement
ICONIX WATERWORKS (US) INC	12/6/2019	28270	\$ 2,505.80	Main Maint - Misc Stock
ICONIX WATERWORKS (US) INC	12/6/2019	28270	\$ 2,545.37	Service Line Maint - Misc Stock
ICONIX WATERWORKS (US) INC	12/6/2019	28270	\$ 19.63	Meter Gaskets

Scotts Valley Water District  
AP Check Register  
December 2019

Vendor Name	Check Date	Check No.	Check Amount	Description
ICONIX WATERWORKS (US) INC	12/6/2019	28270	\$ 1,124.31	Meter Boxes & Lids
INDEPENDENT ELECTRIC SUPPLY	12/6/2019	28271	\$ 100.25	Well Depth Sounding - Misc Supplies
JACKSON LANDSCAPE	12/27/2019	28336	\$ 360.00	Landscape Maint - 2 Civic Ctr - Nov 2019
KASSIS WILLIAM	12/6/2019	28272	\$ 576.04	Retiree Medical - Dec 2019
KBA DOCUMENT SOLUTIONS LLC	12/6/2019	28273	\$ 218.04	Copier Maint & Printing Costs - Nov 2019
KBA DOCUSYS INC	12/6/2019	28274	\$ 394.18	Copier Lease - Nov 2019
L KERSHNER DESIGN	12/27/2019	28337	\$ 5,648.23	Admin Office Reconfigure - Millwork & Surfaces
L KERSHNER DESIGN	12/27/2019	28337	\$ 3,676.26	Admin Office Reconfigure - DIRT Walls
LAS ANIMAS CONCRETE	12/6/2019	28275	\$ 609.36	PW Main Replacement - Sand Slurry
LAUNCH BRIGADE	12/6/2019	28276	\$ 615.00	Add'l Website Maint - Page Updates / Formatting
LAW OFFICE OF ROBERT E BOSSO	12/27/2019	28338	\$ 3,000.00	Legal Counsel Services - Nov 2019
LEGG MIKE	12/27/2019	28339	\$ 105.00	D5 Cert Fee - Legg
MILLER MAXFIELD INC	12/27/2019	28340	\$ 4,106.75	Communication / Public Outreach Services - Nov 2019
MISSION UNIFORM SERVICE	12/6/2019	28277	\$ 332.76	Uniform Laundering & Rental Service - Nov 2019
MONTEREY BAY AIR RESOURCES DISTRICT	12/6/2019	28278	\$ 3,783.00	Regulatory Fees - Monterey Bay Air Resources District
MONTGOMERY & ASSOCIATES INC	12/27/2019	28341	\$ 200.00	On-Call Tech Support
MONTGOMERY & ASSOCIATES INC	12/27/2019	28341	\$ 7,050.00	2019 Annual GW Report
MONTGOMERY & ASSOCIATES INC	12/6/2019	28279	\$ 2,269.83	GW Elevation Data Collection
MONTGOMERY & ASSOCIATES INC	12/6/2019	28279	\$ 337.50	On-Call Tech Support
MOORE CINDY	12/27/2019	28342	\$ 34.26	UB Refund Check - 012484-000
NATIONWIDE RETIREMENT SOLUTIONS	12/6/2019	28281	\$ 4,508.86	IRS 457 Plan - Payroll Date 12/6/19
NATIONWIDE RETIREMENT SOLUTIONS	12/6/2019	28280	\$ 4,508.86	IRS 457 Plan - Payroll Date 11/22/19
NATURAL ORANGE INC	12/27/2019	28343	\$ 126.00	Pest Control - El Pueblo - Nov-Dec 2019
NGUYEN LUAN	12/6/2019	28282	\$ 100.00	Customer Rebate - Smart Irrigation Controller
NICOR INC	12/6/2019	28283	\$ 4,741.50	Meter Box Lids - Qty: 100
NORTH BAY FORD	12/6/2019	28284	\$ 75.07	Vehicle Maint - E-Brake Repair - Truck #19
NORTON PATRICIA	12/6/2019	28285	\$ 18.56	Retiree Vision - Dec 2019
NORTON PATRICIA	12/6/2019	28285	\$ 33.72	Retiree Dental - Dec 2019
NORTON PATRICIA	12/6/2019	28285	\$ 458.51	Retiree Medical - Dec 2019
OLIVE SPRINGS QUARRY	12/6/2019	28286	\$ 455.57	PW Main Replacement - Pavement Mix
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ 1,242.76	Electricity - 2 Civic Ctr - Nov 2019
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ 13.24	Electricity - Santas Village Rd - Oct 2019
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ 192.10	Electricity - RW - Nov 2019
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ 64.98	Electricity - Skypark - Oct 2019
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ (250.00)	PSPS Credit Adjustment - RW
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ (3,000.00)	PSPS Credit Adjustment - PW
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ 37,401.05	Electricity - PW - Nov 2019
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ (64.98)	PSPS Credit Adjustment - Skypark - Oct 2019
PACIFIC GAS & ELECTRIC	12/6/2019	28287	\$ (13.24)	PSPS Credit Adjustment - Santas Village Rd - Oct 2019
PALACE BUSINESS SOLUTIONS	12/6/2019	28288	\$ 186.48	Office Supplies - Erasable Wall Calendars
PERRI CHRISTOPHER	12/6/2019	28289	\$ 1,676.44	Director Medical - Dec 2019
QUINN GARY	12/6/2019	28290	\$ 100.00	Customer Rebate - Toilet
REBER DANIEL	12/6/2019	28291	\$ 2,058.58	Director Medical - Dec 2019
RED WING SHOE STORE	12/27/2019	28344	\$ 175.00	Work Boots - OPS
RF MACDONALD CO	12/6/2019	28292	\$ 1,260.81	Stack Kit - Hacienda Booster
RGW CONSTRUCTION	12/6/2019	28293	\$ 2,000.00	Refund Deposit - PW Bulk Meter
SANTA CRUZ COUNTY PARKS DEPARTMENT	12/6/2019	28294	\$ 8.50	County Parks Parcel Tax
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 158.84	Crescent Generator - Misc Install Supplies
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 439.69	OPS Supplies - TieDowns Batteries Headlights Tape Misc
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 10.64	Paper Supplies - OPS
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 79.96	Meter Maint - Batteries Misc Supplies
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 27.46	Hacienda Generator - Masterlock
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 77.81	Treatment Plant Maint - Trash Bags Misc Supplies
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 11.26	Finance Charge
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 210.68	Tools - Sockets Adapters Ratchets Mortar Hoe
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 9.79	Hydrant Paint
SCARBOROUGH LUMBER & BUILDING SUPPLY	12/6/2019	28295	\$ 98.97	Service Line Maint - Road Patches Plates Repair Supplies
SCOTTS VALLEY BANNER - VALLEY PRESS	12/6/2019	28296	\$ 336.35	SV Banner Ad - Misc Legals
SCOTTS VALLEY BANNER - VALLEY PRESS	12/27/2019	28345	\$ 234.00	SV Banner Ad - Conserve 10/25
SCOTTS VALLEY BANNER - VALLEY PRESS	12/27/2019	28345	\$ 234.00	SV Banner Ad - I-Meters 11/29
SCOTTS VALLEY SPORTSMENS CLUB	12/27/2019	28346	\$ 2,000.00	Refund Deposit - PW Bulk Meter
SHEREDY LYNN	12/27/2019	28347	\$ 100.00	Customer Rebate - Toilet
SHRED IT	12/6/2019	28297	\$ 118.47	Document Destruction - Nov 2019
SOIL CONTROL LAB	12/27/2019	28348	\$ 640.00	Water Quality Testing
STEVENSON LANDSCAPING	12/6/2019	28298	\$ 855.00	Landscaping at Misc Locations - Nov 2019
STILES RUTH	12/6/2019	28299	\$ 746.16	Director Medical - Dec 2019
SWRCB	12/27/2019	28349	\$ 17,129.75	Large Water System Fees - FY2020
SWRCB-DWOPC	12/27/2019	28350	\$ 105.00	D4 Cert Renewal - Albert
SYCAL ENGINEERING INC	12/6/2019	28300	\$ 3,960.85	Engineering Services for SCADA - Sep-Oct 2019
UNITED SITE SERVICES	12/27/2019	28351	\$ 186.20	Portable Toilet Rental - 229 Mt Hermon - Dec 2019
UNITED SITE SERVICES	12/27/2019	28351	\$ 183.01	Portable Toilet Rental - Orchard Run WTP - Dec 2019

Scotts Valley Water District  
 AP Check Register  
 December 2019

Vendor Name	Check Date	Check No.	Check Amount	Description
UNIVERSAL BUILDING SERVICES	12/27/2019	28352	\$ 355.00	Janitorial Service - El Pueblo - Nov 2019
UNIVERSAL BUILDING SERVICES	12/27/2019	28352	\$ 437.00	Janitorial Service - 2 Civic Ctr - Nov 2019
UNIVERSAL BUILDING SERVICES	12/27/2019	28352	\$ 153.59	Bathroom Supplies - 2 Civic Ctr
UNIVERSITY OF SOUTHERN CALIFORNIA	12/27/2019	28353	\$ 179.45	Annual Membership - Cross-Connection & Hydraulic Research
USABUEBOOK	12/6/2019	28301	\$ 1,599.13	Water Sampling Supplies & Chlorine Reagent Sets
USABUEBOOK	12/6/2019	28301	\$ 2,169.05	Sequoia Tank Rehab - Check Valve
VALERO MARKETING & SUPPLY CO	12/6/2019	28302	\$ 384.67	Vehicle Fuel - Nov 2019
VERIZON WIRELESS	12/27/2019	28354	\$ 311.32	Cell Phones / Tablets - Dec 2019
VERIZON WIRELESS	12/6/2019	28303	\$ 336.40	Cell Phones / Tablets - Nov 2019
VOSSOUGH KIAN	12/6/2019	28304	\$ 50.00	Customer Rebate - Toilet
WALLACE NICK	12/6/2019	28305	\$ 61.40	T - Board Clerk Conf - Wallace - Per Diem, Mileage
ZENCZAK ANDREW	12/6/2019	28306	\$ 1,300.00	District Video Production Services - Final Rendering
			<b>\$ 315,960.20</b>	

Legend:

Abbreviation:	Meaning:
PW	Potable Water
RW	Recycled Water
WW	Waste Water
WTP	Water Treatment Plant
EE	Employee
ER	Employer
CO	Change Order
TO	Task Order
SA	Service Application
FY	Fiscal Year
OPS	Operations
Eng	Engineering
Adm	Administration
Fin	Finance
WUE	Water Use Efficiency
ENR	Engineering News Record
ACWA	Association of California Water Agencies
LID	Low Impact Development
UB	Utility Billing
AMI	Advanced Metering Infrastructure

Scotts Valley Water District

Investment Summary

As of 12/31/2019

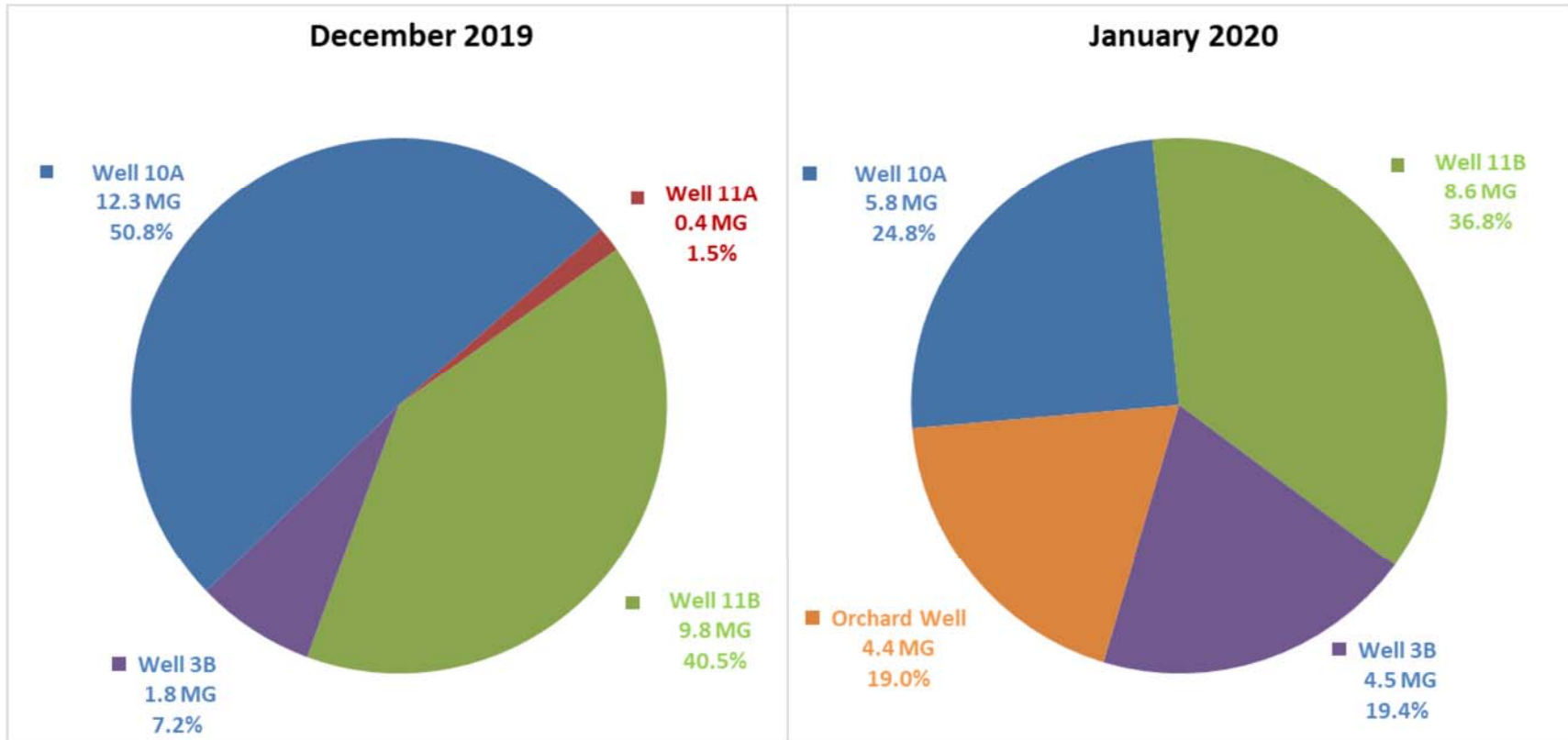
Institution	Investment	CUSIP	Purchased	Maturity	Purchase \$	Rate		Balance as of:		Market Value
						9/30/2019	12/31/2019	9/30/2019	12/31/2019	12/31/2019
<b>Unrestricted Funds:</b>										
LAIF	Local Agency Investment Fund		various			2.280%	2.191%	\$ 663,200	\$ 2,380,252	\$ 2,384,163
WFB	Checking - General		various			0.03%	0.03%	\$ 10,145	\$ 9,825	\$ 9,825
WFB	Checking - Payroll		various			0.03%	0.03%	\$ 10,513	\$ 10,515	\$ 10,515
WFB	Checking - Revenue		various			0.00%	0.00%	\$ 2,740,494	\$ 967,900	\$ 967,900
<b>Subtotal for Unrestricted Funds:</b>								<b>\$ 2,933,147</b>	<b>\$ 3,368,492</b>	<b>\$ 3,372,402</b>

*Weighted Average Yield*

1.55%

The current investments comply with the requirements of the Investment Policy (P200-14-1)  
Sufficient cash is available to meet expected expenditure requirements for the next six months.

## Well Production

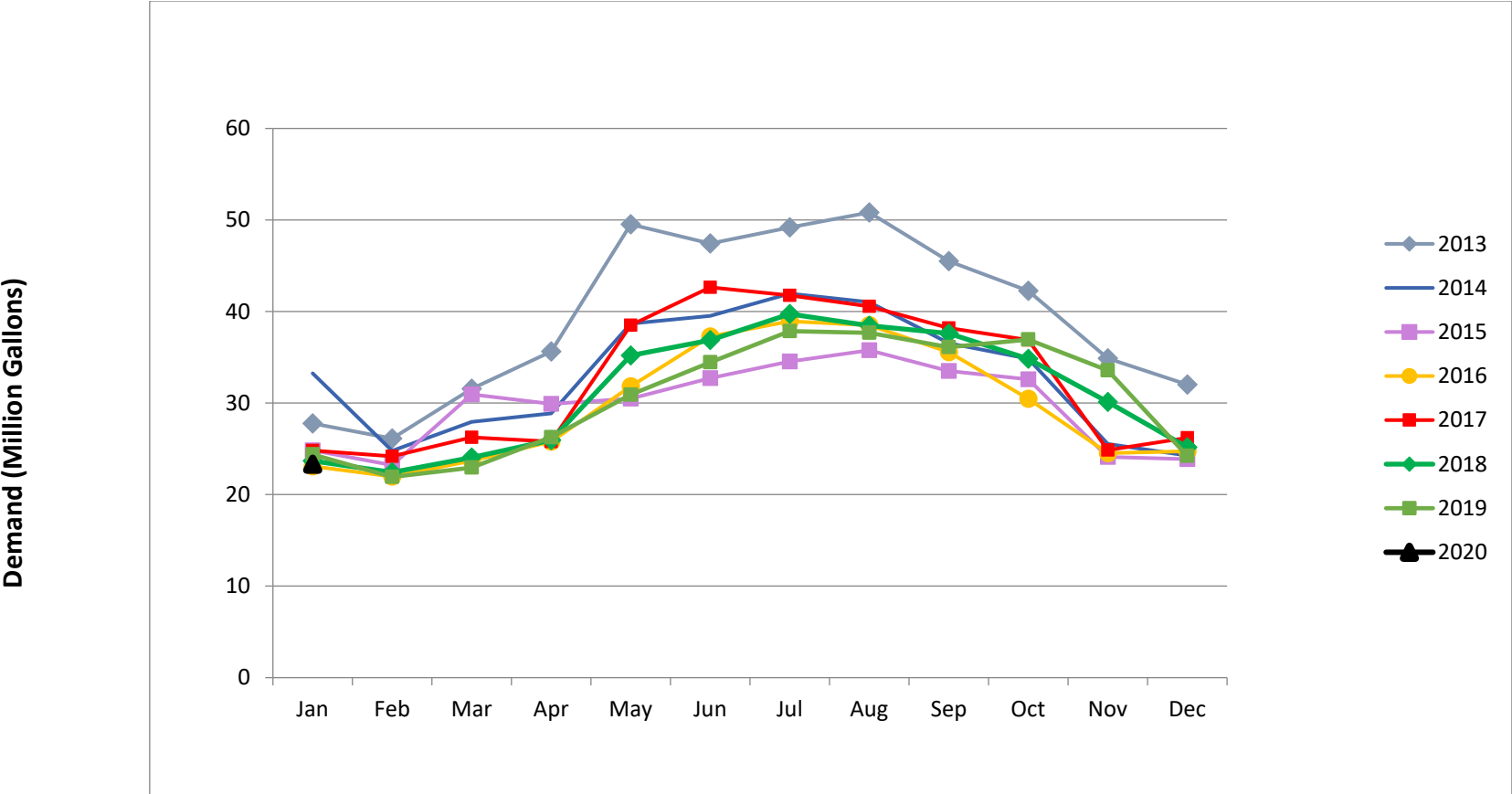


### Total Production (Million Gallons)

December 2019	24.3 MG	27.9% decrease from November
January 2020	23.3 MG	4.12% decrease from December

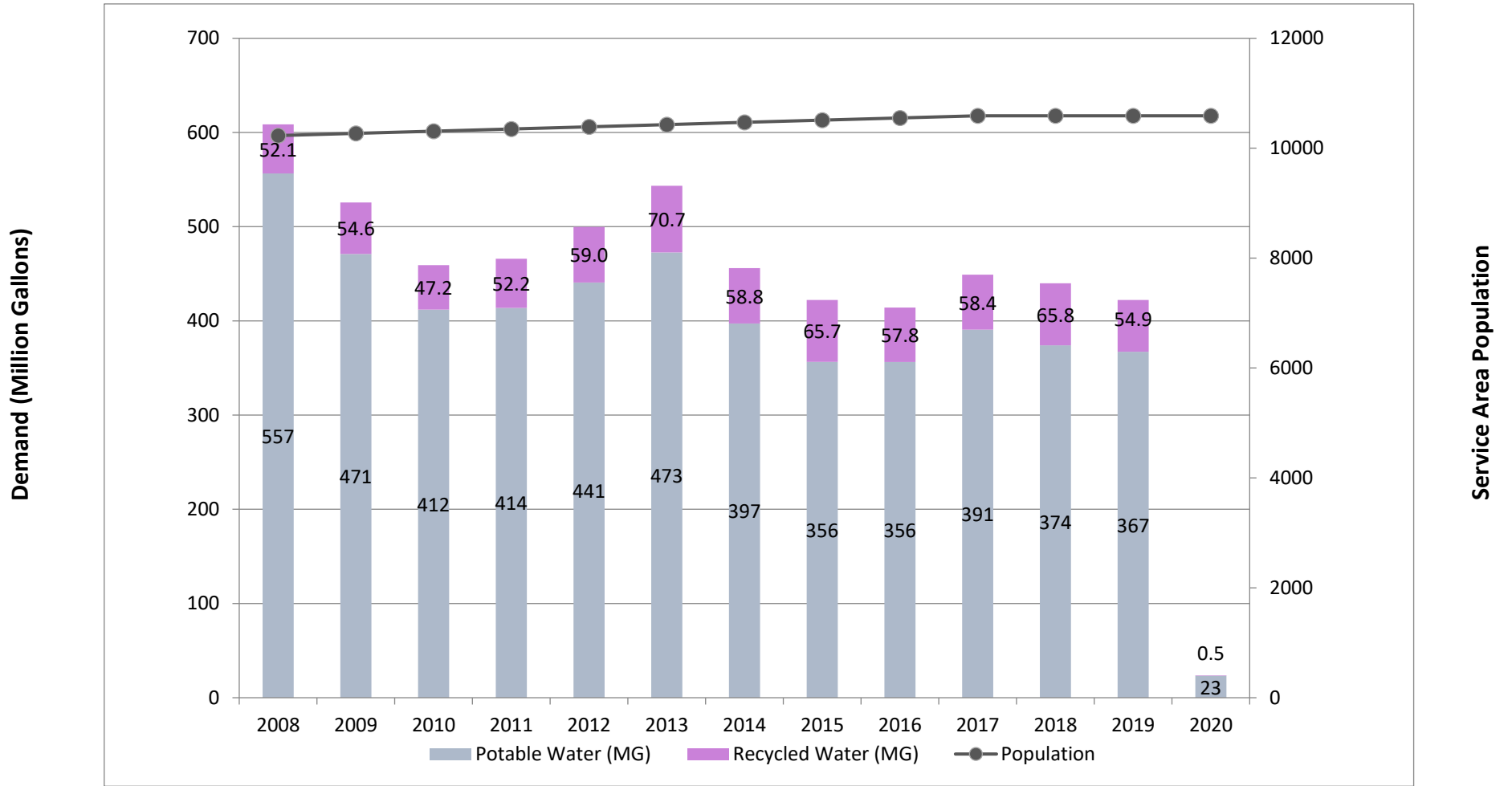
**Production is Water Pumped +/- Water used for Well Maintenance Activities**

### Potable Water Demand



Demand is Production +/- Change in Storage

### Potable and Recycled Water Demand vs. Population



Demand is Production +/- the Change in Storage

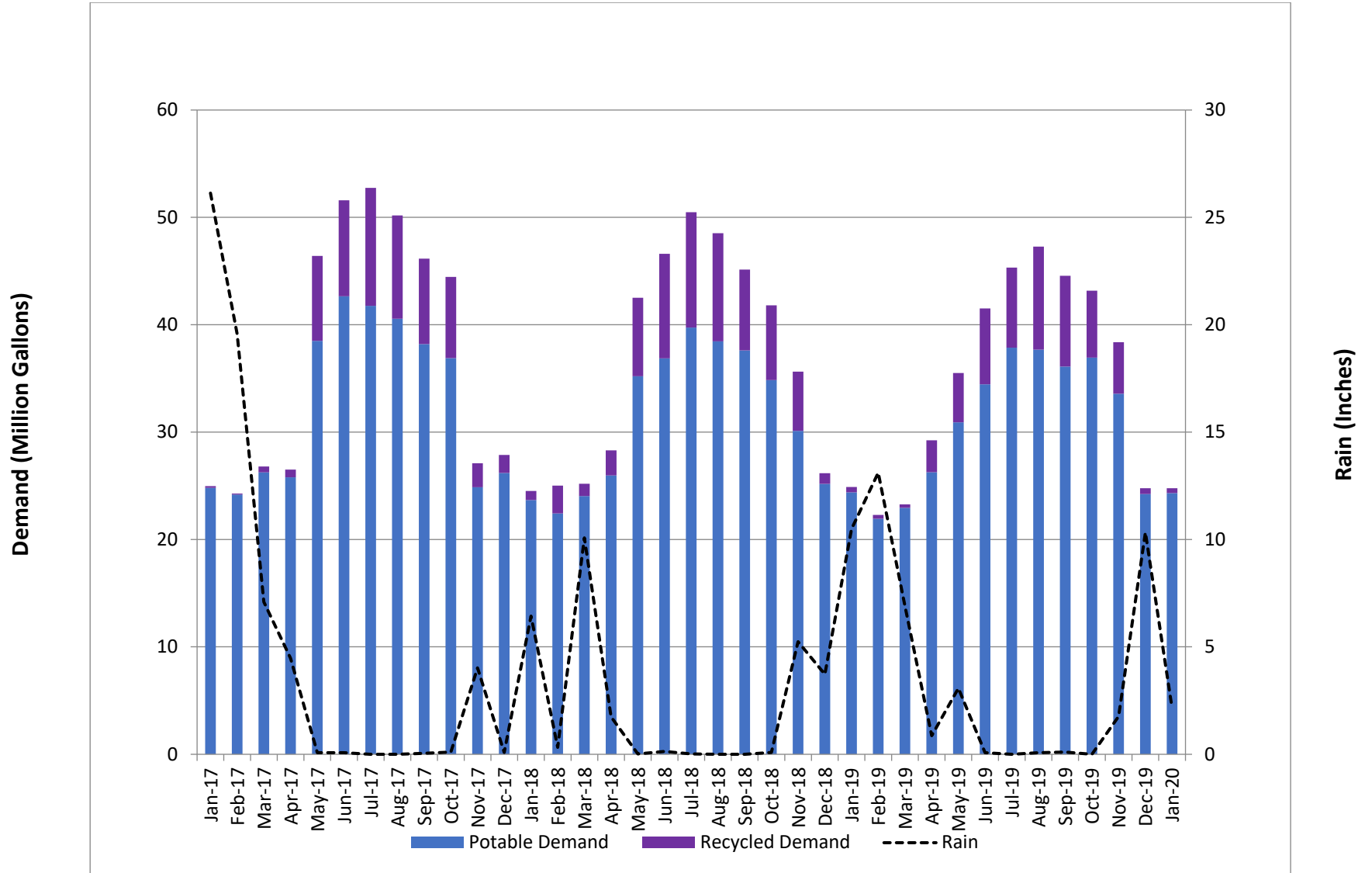
## Potable and Recycled Water Demand

<b>Potable</b>												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average
Jan.	27,190,550	23,129,510	31,165,560	27,764,580	33,252,872	24,822,615	23,085,736	24,789,618	23,674,051	24,389,215	24,319,853	26,144,015
Feb.	24,924,790	25,004,280	26,813,840	26,124,132	24,779,862	23,217,640	21,968,896	23,490,314	22,427,754	21,923,206	-	24,067,471
March	28,930,820	26,079,310	29,752,014	31,559,240	27,946,154	30,953,420	23,910,892	25,837,232	24,042,592	22,948,490	-	27,196,016
April	27,503,270	30,993,238	29,234,622	35,621,370	28,875,831	29,909,260	28,400,861	25,447,561	25,967,700	26,263,989	-	28,821,770
May	37,704,720	40,456,736	43,581,989	49,525,756	38,675,936	30,478,823	31,995,591	38,043,826	35,200,764	30,913,334	-	37,657,748
June	47,344,250	38,237,371	46,553,850	47,432,970	39,525,236	32,726,825	36,842,416	42,310,983	36,867,578	34,451,160	-	40,229,264
July	49,625,170	46,417,190	48,634,940	49,192,762	41,957,386	34,544,613	38,892,200	41,757,891	39,728,472	37,857,926	-	42,860,855
Aug.	49,668,620	45,665,550	48,939,190	50,820,800	41,020,790	35,765,167	38,541,952	40,076,059	38,756,447	37,674,398	-	42,692,897
Sept.	46,781,040	43,700,350	42,936,210	45,489,360	36,533,116	33,498,030	35,653,167	38,190,535	37,610,582	36,106,611	-	39,649,900
Oct.	37,889,760	34,771,130	37,982,466	42,248,672	34,840,142	32,589,534	30,517,556	36,888,905	34,839,533	36,940,583	-	35,950,828
Nov.	18,604,914	28,853,908	28,714,236	34,868,300	25,524,197	24,110,286	24,338,656	24,864,436	30,112,415	33,566,905	-	27,355,825
Dec.	15,762,610	30,451,180	26,428,050	32,013,140	24,261,522	23,866,862	24,379,124	26,194,926	25,169,209	24,225,007	-	25,275,163
<b>Total</b>	<b>471,060,380</b>	<b>411,930,514</b>	<b>413,759,753</b>	<b>440,736,967</b>	<b>472,661,082</b>	<b>397,193,044</b>	<b>356,483,075</b>	<b>358,527,047</b>	<b>387,892,285</b>	<b>374,399,297</b>	<b>24,319,853</b>	<b>450,161,099</b>

<b>Recycled</b>												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average
Jan.	62,000	496,000	2,139,000	620,000	3,019,613	635,420	862,984	156,267	838,172	493,100	450,147	888,428
Feb.	0	1,120,000	2,352,000	2,268,000	1,248,862	1,545,957	1,813,868	94,521	2,589,717	366,055	-	1,339,898
March	620,000	620,000	1,054,000	2,723,665	1,579,882	4,231,231	972,360	544,666	1,141,831	322,464	-	1,381,010
April	570,000	3,450,000	1,470,000	5,436,705	4,163,175	4,720,887	4,381,911	713,802	2,333,176	2,969,672	-	3,020,933
May	5,301,000	6,448,000	7,843,000	9,248,455	8,409,175	6,686,359	6,909,436	7,908,386	7,306,666	4,584,239	-	7,064,472
June	8,250,000	6,150,000	9,420,000	9,801,903	9,135,056	7,488,534	9,639,221	8,940,094	9,739,276	7,067,867	-	8,563,195
July	10,013,000	4,936,000	9,610,000	9,394,766	9,911,697	9,935,422	10,841,389	10,981,309	10,744,706	9,461,005	-	9,582,929
Aug.	8,680,000	9,207,000	10,199,000	9,875,446	8,542,111	10,471,389	8,767,020	9,618,897	10,078,073	9,594,307	-	9,503,324
Sept.	8,070,000	8,610,000	7,680,000	8,288,391	6,176,224	9,092,727	8,287,511	7,957,562	7,522,571	8,451,961	-	8,013,695
Oct.	4,681,000	4,185,000	4,960,000	6,537,840	5,282,253	7,233,408	3,956,097	7,557,695	6,967,548	6,228,883	-	5,758,972
Nov.	570,000	1,740,000	1,920,000	4,029,769	1,131,988	2,817,778	1,053,779	2,234,592	5,514,338	4,805,871	-	2,581,812
Dec.	403,000	2,201,000	341,000	2,453,395	236,228	1,119,017	529,158	1,670,966	994,336	544,650	-	1,049,275
<b>Total</b>	<b>51,635,000</b>	<b>47,220,000</b>	<b>49,163,000</b>	<b>58,988,000</b>	<b>70,678,335</b>	<b>58,836,264</b>	<b>65,978,129</b>	<b>58,014,734</b>	<b>58,378,757</b>	<b>65,770,410</b>	<b>450,147</b>	<b>53,192,071</b>

**Demand is Production +/- the Change in Storage**

### Potable and Recycled Water Demand vs. Rainfall



Demand is Production +/- the Change in Storage

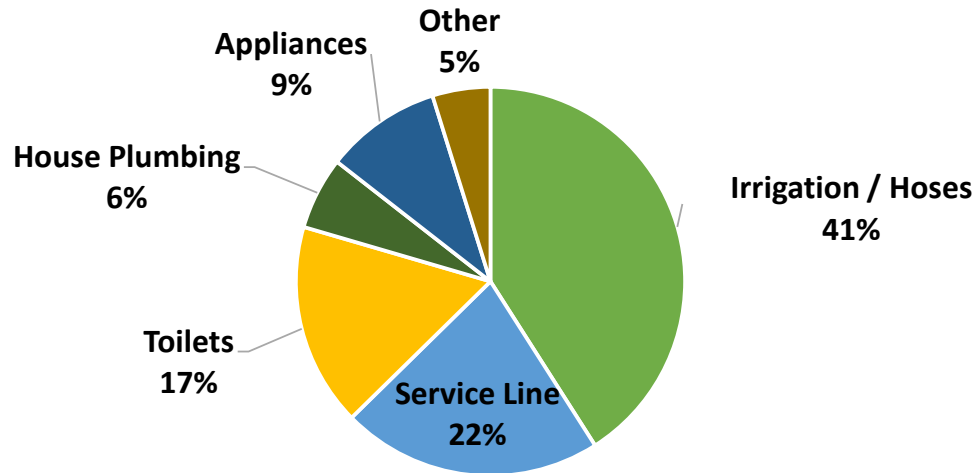
**Rainfall**  
El Pueblo Weather Station

	WATER YEAR	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	TOTAL	% of Ave
<b>High Year</b>	1981-82	0.14	11.20	5.90	28.80	6.88	8.26	8.40	0.03	0.00	0.00	0.04	1.28	70.93	168%
	<b>1982-83</b>	<b>5.35</b>	<b>10.50</b>	<b>7.74</b>	<b>13.90</b>	<b>18.00</b>	<b>19.90</b>	<b>7.80</b>	<b>0.98</b>	<b>0.00</b>	<b>0.00</b>	<b>0.17</b>	<b>1.91</b>	<b>86.25</b>	<b>205%</b>
	1983-84	1.70	12.70	12.90	0.54	2.49	2.62	1.13	0.02	0.18	0.01	0.00	0.25	34.54	82%
	1984-85	2.80	13.80	2.95	1.72	4.20	7.92	0.73	0.11	0.15	0.09	0.02	0.54	35.03	83%
	1985-86	1.12	7.14	2.62	7.38	22.40	15.00	0.48	0.83	0.00	0.00	0.00	1.30	58.27	138%
	1986-87	0.03	0.05	2.47	4.51	9.06	6.31	0.70	0.00	0.02	0.00	0.00	0.00	23.15	55%
	1987-88	1.19	2.30	10.70	4.58	0.68	0.00	3.13	1.07	0.16	0.00	0.00	0.00	23.81	56%
	1988-89	0.19	5.90	8.89	2.06	1.39	10.60	0.67	0.08	0.03	0.00	0.03	0.83	30.67	73%
	1989-90	3.53	1.58	0.01	3.42	3.69	2.13	0.16	5.79	0.00	0.00	0.12	0.15	20.58	49%
	1990-91	0.50	0.24	1.65	0.61	5.39	17.19	0.51	0.06	0.40	0.00	0.02	0.07	26.64	63%
1991-92	2.37	1.46	5.42	3.03	15.30	4.65	0.45	0.00	0.82	0.00	0.05	0.00	33.55	80%	
1992-93	3.41	0.20	11.54	18.51	10.22	3.17	1.37	0.96	0.68	0.00	0.00	0.00	50.06	119%	
1993-94	0.73	2.74	5.52	3.51	9.72	0.68	2.75	2.10	0.01	0.00	0.00	0.05	27.81	66%	
1994-95	1.79	8.29	4.78	23.88	0.65	13.62	3.79	0.89	1.04	0.01	0.00	0.00	58.74	139%	
1995-96	0.00	0.32	10.03	13.52	11.35	5.14	2.38	4.31	0.03	0.00	0.00	0.00	47.08	112%	
1996-97	2.89	6.95	22.43	12.33	0.17	1.50	0.58	0.16	0.12	0.00	0.54	0.00	47.67	113%	
1997-98	0.68	10.12	4.06	14.21	21.81	6.17	2.85	3.65	0.01	0.00	0.01	0.17	63.74	151%	
1998-99	1.02	9.11	1.85	9.25	11.08	5.22	2.58	0.03	0.36	0.00	0.02	0.14	40.66	96%	
1999-00	0.35	5.69	0.53	18.02	17.57	2.77	2.69	1.01	0.18	0.00	0.20	0.40	49.41	117%	
2000-01	5.14	1.38	0.94	8.68	10.65	4.05	2.67	0.00	0.07	0.00	0.00	0.16	33.74	80%	
2001-02	1.13	9.93	16.45	4.97	2.69	4.66	0.52	0.90	0.00	0.00	0.05	0.00	41.30	98%	
2002-03	0.00	5.80	21.40	2.77	2.95	2.54	5.75	1.09	0.16	0.00	0.00	0.00	42.46	101%	
2003-04	0.19	3.93	17.55	4.44	9.69	1.19	0.65	0.07	0.00	0.06	0.00	0.11	37.88	90%	
2004-05	7.24	3.25	14.39	8.30	7.20	10.01	3.79	2.13	0.94	0.02	0.00	0.08	57.35	136%	
2005-06	0.19	2.84	21.73	6.55	5.26	15.29	10.44	1.01	0.01	0.00	0.01	0.00	63.33	150%	
2006-07	0.25	3.30	5.67	0.89	9.24	0.30	2.17	0.46	0.00	0.10	0.01	0.33	22.72	54%	
2007-08	1.93	0.52	5.50	17.59	6.96	0.36	0.35	0.00	0.00	0.01	0.00	0.04	33.26	79%	
2008-09	1.59	4.80	4.38	1.80	15.28	3.47	0.52	1.42	0.01	0.00	0.00	0.26	33.53	80%	
2009-10	9.70	0.33	5.21	11.37	8.66	4.35	5.41	1.17	0.00	0.01	0.07	0.00	46.28	110%	
2010-11	3.92	5.13	15.36	1.97	10.59	13.40	0.75	3.42	3.40	0.00	0.04	0.02	58.00	138%	
2011-12	2.93	3.41	0.15	6.80	2.75	11.97	4.09	0.02	0.20	0.02	0.00	0.02	32.36	77%	
2012-13	1.61	11.32	13.25	1.31	0.47	2.66	0.43	0.01	0.11	0.00	0.00	0.70	31.87	76%	
<b>Low Year</b>	<b>2013-14</b>	<b>0.01</b>	<b>0.87</b>	<b>0.78</b>	<b>0.05</b>	<b>11.52</b>	<b>4.02</b>	<b>2.02</b>	<b>0.01</b>	<b>0.02</b>	<b>0.09</b>	<b>0.01</b>	<b>0.92</b>	<b>20.32</b>	<b>48%</b>
	2014-15	0.44	4.36	16.52	0.00	4.69	0.47	2.13	0.19	0.04	0.00	0.03	0.02	28.89	69%
	2015-16	0.07	2.54	6.67	16.20	1.16	14.26	1.18	0.35	0.00	0.00	0.00	0.22	42.65	101%
	2016-17	8.66	3.29	10.77	26.13	19.56	7.09	4.47	0.06	0.07	0.00	0.00	0.04	80.14	190%
	2017-18	0.10	4.02	0.08	6.43	0.56	10.07	2.85	0.01	0.13	0.01	0.00	0.00	24.26	57%
	2018-19	0.08	5.24	3.72	10.49	13.11	6.91	0.86	3.07	0.07	0.00	0.07	0.10	43.72	104%
	2019-20	0.00	1.76	10.33	2.14	-	-	-	-	-	-	-	-	14.23	34%
Cumulative 2019-2020		<b>0.08</b>	<b>1.84</b>	<b>12.17</b>	<b>14.31</b>	-	-	-	-	-	-	-	-	<b>14.23</b>	
Monthly Average 1981-2019		1.97	4.91	7.96	8.43	8.29	6.58	2.48	0.99	0.25	0.01	0.04	0.27	42.18	
Cumulative Ave 1981-2019		1.97	6.88	14.84	23.28	31.57	38.15	40.62	41.61	41.86	41.87	41.91	42.18	42.18	

## Leak Adjustment Program Report FY 2020

	RES Requests	CII Requests	Approved	Denied	Appeals	Reason Denied	Total Adjust Credit	Total Excess Use (gallons)
JUL	1	1	2	0	0		\$774	71,847
AUG	9	0	8	1	0	> 5 years since last adjustment	\$4,889	324,089
SEPT	20	5	23	2	0	> 5 years since last adjustment	\$6,197	443,527
OCT	6	1	6	1	0	> 5 years since last adjustment	\$2,320	190,767
NOV	11	0	10	1	1	> 5 years since last adjustment	\$4,143	275,777
DEC	29	1	23	4	1	> 5 yrs(2), No repair(1), No increase(1)	\$11,828	842,502
JAN								
FEB								
MAR								
APR								
MAY								
JUN								
<b>Total</b>	<b>76</b>	<b>8</b>	<b>72</b>	<b>9</b>	<b>2</b>		<b>\$30,152</b>	<b>2,148,509</b>

### Sources of Leaks



**Development Projects Status Report**  
**Active Service Applications as of December 31 2019**

38 Active Service Applications

239 New Service Connections

4.8 MM in Capacity Fee Revenue

Does not include conceptual projects (Aviza, SV Annex, Town Center, Gateway South Lot 1 and Lot 2)

<u>Service Type</u>	<u>Service Size (Inches)</u>	<u>No of Connections</u>	<u>Annual Demand (Gal)</u>	<u>Percent of Existing Demand</u>
<b>Potable</b>				
Single Family Residential	5/8"	59	4,000,000	1.00%
Single Family Residential	3/4"	7	500,000	0.13%
High-Density Single Family Residential*	5/8"	109	5,000,000	1.25%
High-Density Single Family Residential**	3/4"	44	2,000,000	0.50%
Commercial, Industrial, Institutional (CII)	Varies	7	7,000,000	1.75%
<b>Total</b>	-	<b>239</b>	<b>18,500,000</b>	<b>4.63%</b>
<b>Recycled</b>				
Landscape Irrigation	Varies	13	8,000,000	13.22%

\*5/8" meter for indoor use only, installed for individual units in a high-density development that uses recycled water for irrigation.

\*\*3/4" meter for indoor use only, installed for individual units in a high-density development that uses recycled water for irrigation.

**Development Activity**  
**Recent 5 year period / 2015-2019**

<u>Service Type</u>	<u>No of Connections</u>	<u>Annual Demand (Gal)</u>	<u>Percent of Existing Demand</u>
<b>Potable</b>			
Residential	102	7,000,000	1.75%
Commercial, Industrial, Institutional (CII)	4	2,000,000	0.50%
Landscape Irrigation	4	1,000,000	0.25%
Fire Services	69	N/A	N/A
Temporary	5	Varies	-
<b>Total</b>	<b>190</b>	<b>10,000,000</b>	<b>2.50%</b>
<b>Recycled</b>			
Landscape Irrigation	6	3,000,000	4.96%



SCOTTS VALLEY  
WATER DISTRICT

January 20, 2020

Bay Area Council Foundation  
Attn. Adrian Covert  
353 Sacramento Street, 10<sup>th</sup> Floor  
San Francisco, CA 94111

Re: Support for City of Santa Cruz Application for California Resilience Challenge 2020 Grant

Dear Mr. Covert,

On behalf of Scotts Valley Water District (SVWD), we are writing to express our strong support for the City of Santa Cruz California Resilience Challenge Grant Proposal.

The City of Santa Cruz is a leader in climate adaptation work in California having adopted the Climate Adaptation Plan most recently in 2018. The Climate Adaptation Plan identifies bolstering flood control resiliency and improving water supply reliability as two very high priority strategies for implementation.

With local surface waters comprising 95% of the City's drinking water supply, the City is highly susceptible to both drought and increased storm intensity causing untreatable turbidity in surface water sources. In addition, the system is at risk by rising sea levels that could pollute the City's surface water sources. With over 100,000 customers dependent upon the Santa Cruz Water Department for their drinking water, assessing climate change threats and opportunities is paramount to ensuring a climate-resilient water system.

Also susceptible to storm fluctuation is the City's flood control system, which is comprised of a decades-old levee system surrounding the San Lorenzo River. It is critical that system's vulnerabilities are understood and mitigated as impacts from flooding to residents and the downtown business district could be catastrophic.

With this grant, the City will be able to maintain momentum on characterizing climate risks and implementing strategies to bolster the community's resiliency to climate change. SVWD urges the Bay Area Council Foundation to award grant funding to City of Santa Cruz for continued work on climate change issues.

Sincerely,

DocuSigned by:  
  
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Wade Leishman, SVWD Board President

DocuSigned by:  
  
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Piret Harmon, SVWD General Manager

DRAFT

# Santa Cruz County Water Resources Management Status Report for 2019



Prepared by County of Santa Cruz  
Environmental Health



## Introduction

Santa Cruz County surface water and groundwater provide drinking water for residents and visitors, critical habitat to numerous threatened and endangered species, and opportunities for recreational and commercial activities. Like many other areas of California, the County faces water resource challenges including inadequate water supply, impaired water quality, overdrafted groundwater basins, depleted streams, and degraded riparian habitat. The overwhelming majority of Santa Cruz's water supply is locally derived – a unique situation in a state supported by large federal and state water projects. Domestic supply within the region is provided by five large public agencies, four medium water systems, 130 small water systems, and some 8,000 individual wells. County staff, local agencies, organizations, and the community are continuing to work together toward long term solutions to ensure a reliable water supply balanced with maintaining environmental benefits.

The 2019 water year was wet, with runoff rates in the San Lorenzo River Watershed 60% above average. Significant rainfall occurred through May. Water use continues to remain significantly below 2013 pre-drought levels, showing the effectiveness of permanent changes such as replacing old fixtures with more efficient ones, and removing lawns in favor of drought tolerant landscaping that were promoted during the drought.

The big story this year was progress towards groundwater sustainability. The State is requiring improved management of groundwater basins throughout California through the development of Groundwater Sustainability Plans. The Plan for the Pajaro Valley Basin was approved by the California Department of Water Resources (DWR) in September. The Plan for the Santa Cruz Mid-County Basin was locally adopted in November and will be submitted to DWR in January. Other exciting developments include that Soquel Creek Water District has received a grant for \$50 million towards their PureWater Soquel purified water recycling and project, the County's Water Quality Laboratory expanded its analytical capabilities targeted at local water issues, and steelhead densities throughout the County are increasing, indicating an ongoing recovery from the drought years.

While 2019 offered plenty to celebrate, the water community also experienced great tragedy. On September 2, two incredible and passionate water enthusiasts were lost when the dive boat Conception sank. Vaidehi Campbell Williams was a beloved member of the Soquel Creek Water District family. As the District's Communications Specialist, her entire career was spent sharing her exuberance with the community about the District's water supply and the importance of preserving and protecting our precious resource. Vaidehi's passion for water was experienced by countless community members at local, county and even statewide educational and special events, working with teachers and presenting in local classrooms (from preschool to college), and wherever she had an opportunity to share her enthusiasm. Kristina Finstad (aka "Kristy") worked for the Watershed Section of the City of Santa Cruz Water Department for 10 years conducting hydrologic and fisheries monitoring as well as implementing environmental education programs with San Lorenzo Valley schools, internal staff and the general public. She was a passionate advocate for fisheries conservation and spent her life working and playing in water. She left employment with the City of Santa Cruz in 2015 to pursue her other dreams. They are and will continue to be greatly missed by the water and diving communities in Santa Cruz and worldwide.

The County and its partner agencies continue to conduct a range of efforts for water resource management to address resource challenges. Following is a summary of some of the water resource management activities undertaken in 2019, organized under six topic areas:

1. Groundwater Management
2. Water Supply
3. Water Conservation
4. Stormwater, Recharge, Flood Management, and Climate Change
5. Watershed Health and Aquatic Habitat
6. Water Quality
7. Small Water Systems

## 1. Groundwater Management

- a) The Sustainable Groundwater Management Act of 2014 (SGMA) went into effect on January 1, 2015. The County is actively working with local water agencies to pursue sustainability for the three major groundwater basins in the County as follows:
  - i. Management of the Santa Cruz Mid-County Basin is overseen by a Joint Powers Authority (JPA) consisting of the County of Santa Cruz, City of Santa Cruz, Soquel Creek Water District and Central Water District. This JPA is referred to as the Santa Cruz Mid-County Groundwater Agency (MGA), which is the Groundwater Sustainability Agency (GSA) for the basin. The MGA governing board includes three private well representatives and two representatives from each partner agency. The Mid-County Basin is designated by the State as being in a condition of critical overdraft, which required completion of the GSP by January 2020. The basin has experienced seawater intrusion in some areas, and offshore investigations have shown seawater close offshore in other areas. Groundwater extraction has also likely reduced streamflow. Despite significant improvement of coastal groundwater levels due to water conservation, further work is needed to ensure long term sustainability.

In 2019, the 13-member Groundwater Sustainability Plan (GSP) Advisory Committee, which comprised representatives from various interest groups in the Basin, made their policy recommendations to the MGA Board on sustainability targets for the basin. A Draft version of the GSP was released for public comment in July. Comments were received from 19 different individuals and organizations, many of which resulted in updates and clarifications to the GSP. The final GSP was adopted in November by the MGA Board and was submitted to the State before the January 31, 2020 deadline. More information is available at [www.midcountygroundwater.org](http://www.midcountygroundwater.org).
  - ii. Management of the Santa Margarita Basin is overseen by a JPA consisting of the County, the Scotts Valley Water District, and the San Lorenzo Valley Water District. This JPA is referred to as the Santa Margarita Groundwater Agency (SMGWA), which is the GSA for the basin. The SMGWA governing board includes two private well representatives, two representatives from each partner agency, and one representative each from the City of Scotts Valley, the City of Santa Cruz, and the Mount Hermon Association. The Santa Margarita Groundwater Basin is not designated as being in critical overdraft, but it has experienced a significant historical decline in groundwater levels and reduction in streamflow. The GSP for Santa Margarita must be completed by January 2022. In 2019, the SMGWA hosted a popular education series on water management issues, adopted their Guiding Principles, and hired a facilitator and technical consultant who will jointly lead the GSP development process. In the fall, the SMGWA led several Basin tours with Board

members and members of the public. More information is available at [www.smgwa.org](http://www.smgwa.org).

- iii. The Pajaro Valley Water Management Agency (PV Water) is the designated Groundwater Sustainability Agency for the Pajaro Valley Basin. PV Water submitted the Basin Management Plan Update (2014), the Integrated Hydrologic Model of Pajaro Valley Report, the Salt and Nutrient Management Plan, and other supporting documentation (collectively “Plan”) to DWR as a Groundwater Sustainability Plan Alternative in 2016. In July 2019, DWR determined that the Plan satisfies the objectives of the Sustainable Groundwater Management Act and issued approval, making the Pajaro Valley Basin the first critically overdrafted basin in California to have an approved plan. More information is available at <https://www.pvwater.org> and <https://sgma.water.ca.gov/portal/#intro>.
- b) Groundwater surface elevations in the Pajaro Valley Basin are regularly at or below sea level in much of the basin, with seawater intrusion extending inland to approximately San Andreas Road. Preliminary monitoring results from 2019 indicate a subtle increase in groundwater levels in the Pajaro Valley Basin over 2018, reflective of a year in which precipitation was 21% above the historical average. Groundwater levels are approximately 4 feet higher than the conditions observed in 2015 at the end of the most recent drought. PV Water continues to implement the Basin Management Plan, which includes optimizing existing water supplies, conservation, and the development of new water supply projects such as the approved College Lake Integrated Resources Management Project and the proposed Watsonville Slough Systems Managed Aquifer Recharge and Recovery Projects.
- c) Since 2015, Soquel Creek Water District has been evaluating and developing Pure Water Soquel, its groundwater replenishment and seawater intrusion prevention project (Project). The National Water Research Institute (NWRI) provided independent analysis that the “The Project is plausible, feasible, and protective of public health, with respect to the following elements: quality of the source water that would be provided by the Santa Cruz Waste Water Treatment Facility and use of proven advanced treatment technologies to produce water that meets all drinking water requirements and is protective of public health and the environment.” The Environmental Impact Report (EIR) for the project was certified in 2018, and the District moved forward in 2019 with furthering technical studies and evaluations to support permitting and issued procurement for progressive design-build packages of the project. Other project milestones in 2019 included:
  - i. Interagency Project Agreement with the City of Santa Cruz was approved in June 2019
  - ii. US Environmental Protection Agency selected the Pure Water Soquel Project as one of 38 projects in 11 states across the United States in July 2019 to apply for a low interest loan through its Water Infrastructure Finance and Innovation Act (WIFIA) program.
  - iii. The State of California approved \$36 million through its Seawater Intrusion Control Low-Interest Loan Program for the Pure Water Soquel Project on November 19, 2019.
  - iv. The Pure Water Soquel Project was included in the final Santa Cruz Mid-County Groundwater Sustainability Plan, locally approved on November 21, 2019, as a project to achieve basin sustainability.

- v. The State of California awarded 7 projects under its Prop 1 Groundwater Grant, Round 2 Program, with the District being awarded a \$50M grant on December 17, 2019.
- d) The County completed a \$250,000 grant from DWR to assist with Groundwater Planning for the Mid-County Groundwater Basin. The grant funded improvement of the groundwater model for the basin with particular emphasis on stream flow and the impacts of private wells and small water systems. It also helped staff develop a “Recharge Project Selection Strategy” to efficiently identify sites suitable for stormwater recharge projects. This funding enabled the County to partner with Soquel Creek Water District to evaluate numerous stormwater capture and infiltration project locations, and develop conceptual design plans for three of them.
- e) The County continues to coordinate submission of groundwater level data to the State’s ‘CASGEM’ groundwater monitoring program. County staff is also offering free well soundings to private well owners in the Santa Margarita and Santa Cruz Mid-County basin boundaries. This service is made available on the agency websites.
- f) The Resource Conservation District of Santa Cruz County (RCD) continues to facilitate the Community Water Dialogue, a stakeholder group addressing aquifer overdraft in the Pajaro Valley. In November 2019, the Community Water Dialogue held a community-wide event where attendees received updates on the present state of the Pajaro Valley Basin and management strategies being developed or implemented to reduce groundwater overdraft.

## 2. Water Conservation

- a) County water use has declined greatly since 2000 even as the population has grown (Figure 1). Figure 2 shows precipitation and water use from 1984-2019. Water use remains 15-20% below the pre-drought levels due in part to permanent water conservation measures such as plumbing fixture retrofits and drought tolerant landscaping that many residents implemented during the drought. The large public water systems continue to promote conservation and many have water rates that encourage low use.
- b) County staff have continued to participate with all the countywide water agencies in the Water Conservation Coalition of Santa Cruz County to increase outreach and education to the public. The Coalition participated in numerous events including Earth Day, the County Fair, the water conservation video contest, and the Water Harvest Festival, and maintained the website: [www.watersavingtips.org](http://www.watersavingtips.org).
- c) The Scotts Valley Water District Advanced Metering Infrastructure (AMI) project that commenced in 2017 is under way with 70% of all meters replaced. The i-Meters (Intelligent Meters) are supported by WaterSmart web portal that helps customers to monitor their water usage to be more water efficient (<https://www.svwd.org/customer-info/i-meters>). The District anticipates completing the project by Spring 2021.
- d) Scotts Valley Water District’s “Think Twice” water use efficiency program achieved an estimated annual water savings of 470,000 gallons in the last year.

- e) The RCD continues providing a number of programs to assist growers with conserving water through irrigation efficiency and soil health improvements. Services include irrigation system evaluations, season-long monitoring to inform growers of how the volume of water applied to their crops compares to the volume of water required by their crops, providing technical and financial assistance to implement water use efficiency and irrigation scheduling improvements, practical field guides and irrigator trainings in English and Spanish, and rebates for cover crop seed to reduce stormwater erosion and improve infiltration. During 2019, RCD assisted 16 growers to monitor irrigation of their strawberry or vegetable row crops and provided irrigator training to over 50 irrigators.
- f) As articulated in the Sustainable Santa Cruz County Plan (2014) and the Housing Element of the General Plan (2016-2023) County Planning continues to encourage multi-family development , smaller units and ADUs, which are all water saving relative to other types of development, as well as water saving landscapes. Planning will also implement the tri-annual update of the Building Code in January, which includes enhanced water conservation measures.
- g) The Soquel Creek Water District continued to maintain their Water Demand Offset (WDO) program which, in lieu of a building moratorium, allows new development to proceed without increasing water demand on the basin. The WDO program is intended to serve as a bridge until a supplemental water supply can be secured. The program requires developers to fund a reduction in existing water use and/or increase in supply amounting to 200% of their projected new water use. In 2019, each development project's offset fee of \$55,000 per acre-foot was directed toward funding a water meter system upgrade from drive-by Advanced Meter Reading to Advanced Metering Infrastructure. The upgrade is anticipated to save 86 acre-feet of water per year due to earlier leak notification features. In total, 44 new water services were granted by the District Board in 2019.

### **3. Water Supply Planning**

- a) The County and San Lorenzo Valley Water District have been working on a grant from the Wildlife Conservation Board Streamflow Enhancement Program to develop a San Lorenzo Watershed Conjunctive Use and Baseflow Enhancement Plan. The Plan will be used to improve water supply reliability and increase summer stream flows in the immediate future and recommend further infrastructure improvements needed in the long run. In 2019 a Water Assessment Analysis was completed looking at 22 different conjunctive use scenarios. The District selected 4 for a fisheries analysis which was completed in the fall and will be incorporated into the final Plan.
- b) The County, City of Santa Cruz, San Lorenzo Valley Water District, and Scotts Valley Water District continue to collaborate on a Memorandum of Agreement to work together on exploring conjunctive water use options in the San Lorenzo Watershed and Santa Margarita Groundwater Basin. These efforts will explore many ways to utilize excess winter surface water when available to increase groundwater storage and water supply reliability and increase dry season stream flow.
- c) The City of Santa Cruz Water Department and Soquel Creek Water District are continuing to work towards reducing groundwater pumping from the Mid-County Basin through transfer of winter surface water from the City to the District. They completed the

first year (“Phase I”) of the water transfer pilot from the City to the District, in which water was transferred from December 4, 2018 – April 30, 2019 to a portion of the District’s service area that includes 2,300 customers. Water quality and operational issues were closely monitored, and results were summarized in a Technical Memorandum and presentation to the Soquel Board on October 15, 2019. Phase I was very successful with no fatal flaws in terms of water quality or operational issues. Phase II of the water transfer began on December 6, 2019 and is planned to extend through April 30, 2020. As with the initial pilot, the volume of water to be transferred and the length of time in which transfers are to occur will be dependent on the City’s available excess water supply and Soquel Creek Water District’s system demand in the expanded service area. This pilot project does not include provisions for returning water from Soquel to the City in the event of a drought. The volume of water that the District has currently budgeted for purchase for Phase II is 98 MG (300 acre-feet); the demand in the expanded service area will exceed this budgeted amount. The two agencies continue to collaborate to inform negotiations for longer term water exchanges and transfers. For more information, visit <https://www.soquelcreekwater.org/Water-transfers>

- d) The City of Santa Cruz Water Department continues to pursue development of an Aquifer Storage and Recovery (ASR) program which would inject treated surface water into the Santa Margarita basin, and/or the Mid-County Basin - to increase storage. The City completed a pilot ASR test in their Beltz 12 production well located on Research Park Drive. The pilot test consisted of three cycles of injection, storage and recovery that began on January 18, 2019 and continued through July 31, 2019 when active recovery of Cycle 3 ended. Results appear favorable in that no operational or water quality issues were found. The City is preparing for a second year of pilot ASR at their Beltz 8 production well located in the Live Oak area of the MCGB. Similar to the previous pilot, the Beltz 8 pilot will consist of three cycles of injection, storage and extraction. Two monitoring wells are being installed as part of this pilot test program to enhance the data collection and evaluation of the project.
- e) The City of Santa Cruz Water Department continues to implement the Santa Cruz Water Rights project. This project is seeking to modify existing water rights to address key issues needed to improve the City’s water system flexibility while enhancing stream flows for local anadromous fisheries. The project includes changes to the City’s existing water rights regarding places of use, points of diversion, and extension of time to beneficially use existing rights under existing permits. No changes to the authorized amounts of diversions under any of the City’s appropriative water rights is proposed. This project is needed to facilitate regional supply projects.
- f) The City of Santa Cruz is continuing the evaluation of the role recycled water may play in a future water supply portfolio. In November 2018, City Council took action to prioritize recycled water over desalination as Element 3 of the Water Supply Augmentation Strategy. This decision was made following the completion and side by side evaluation of an update to the previous Desalination Program and a preliminary evaluation of recycled water opportunities. More detailed analysis is now required into several of the highly-ranked recycled water alternatives to better understand cost, timeliness and yield. City Council approved Phase 2 of the Recycled Water Feasibility Planning Study at their November 26 meeting. This yearlong study will begin in January 2020.
- g) On November 12<sup>th</sup>, the Santa Cruz City Council held a joint meeting with the City’s Water Commission. This is an annual occurrence to provide an update to the Council on

the progress being made, as vetted through the Water Commission, on the Water Supply Augmentation Strategy. In addition to an update on the elements described above, Council approved a modification of the Water Supply Augmentation Work Plan in two areas.

- i. Phase implementation of the ASR program. The Water Supply Augmentation Strategy work plan contemplated ASR as a single element to be implemented at one time. Based on the last few years of analysis, staff recommended splitting ASR into three components: a near term project in the MCGB using existing infrastructure; a longer term project in the Mid-County Basin using new infrastructure; and a future ASR project in the Santa Margarita Groundwater Basin.
  - ii. Extend the implementation schedule. Because demands in the City remain low, and implementation of the near term ASR in the Mid-County Basin appears promising in terms of supplementing supply to some degree, staff recommended extending the overall implementation schedule to accommodate the stepwise approach described above.
- h) In January 2017, PV Water's Board of Directors approved an action to proceed with the implementation of water supply projects described in the stakeholder developed Basin Management Plan Update. The Plan describes a three-part approach designed to eliminate groundwater overdraft and halt seawater intrusion: 1) conservation of water, 2) optimization of existing water supplies, and 3) development of new water supplies. A recent analysis of groundwater extraction data during the period of 2014-2018 determined that the Pajaro Valley is approximately 36% of the way toward the 4,000 acre-feet per year conservation goal, for the area outside of the Delivered Water Zone, which makes up 80% of the water consumption in the Pajaro Valley. The 5,000 acre-feet/year benchmark established in the 2014 BMP is to achieve 75% progress toward the goal of reducing groundwater pumping by 2020 and 100% by 2023.

PV Water completed Phase I of Recycled Water Facility improvements, a project that included construction of a 1.5 million gallon recycled water storage tank and distribution pump station improvements. PV Water is currently constructing the Phase II project: Disk Filter Improvement Project. Agency staff, in collaboration with a team of engineers, environmental scientists, and other experts, continue working to engage with stakeholders, refine project descriptions, develop preliminary designs with environmental documentation, apply for water rights, and seek grant funding to implement the projects summarized below:

- i. *College Lake Integrated Resources Management Project*. When constructed this project would collect, store, treat, and deliver approximately 1,800 to 2,300 AFY of surface water for agricultural irrigation.
  - ii. *Watsonville Slough System Managed Aquifer Recharge and Recovery (Previously Watsonville Slough with Recharge Basins and Harkins Slough Facility Optimization)*. This proposed project has the potential to yield 2,400 AFY by diverting storm water runoff from the confluence of Struve and Watsonville Sloughs to a shallow aquifer system on the San Andreas Terrace for short-term storage and recovery.
- i) Santa Cruz County partner agencies continue to work together on the Integrated Regional Water Management (IRWM) program, with the Regional Water Management Foundation (RWMF) serving as a hub for the 12 partner agencies. The County and all of the cities and public agencies dealing with water are signatories to the Santa Cruz

IRWM Memorandum of Agreement, which was updated in 2016. The agencies contribute a combined \$80,000 annually to support maintenance of the IRWM efforts. The RWMF is also providing administrative services to the Santa Cruz Mid-County Groundwater Agency, and grant administration for the Santa Margarita Groundwater Agency. <http://www.santacruzirwmp.org/>.

- j) The Santa Cruz and Pajaro IRWM regions continue to work to utilize IRWM grant funds to further evaluate and address the water needs of disadvantaged communities in the Central Coast region, including the Santa Cruz and Pajaro regions. This project is being administered by the RWMF.
- k) The RWMF with the support of the Central Coast Wetlands Group is in the process of finalizing a Climate Change Vulnerabilities Assessment for the Santa Cruz IRWM Region. They plan to collect more agency input and complete the assessment in 2020. Information thus far gathered from the Vulnerability Assessment, the regional water agencies on water quality related to AB 1249 contaminants (arsenic, nitrate, chromium VI, and perchlorate) and various local studies such as the County's Climate Action Strategy and the City of Santa Cruz's Climate Adaptation Plan have informed an Addendum to the 2014 IRWM plan to address updates from the DWR 2016 Proposition 1 Guidelines. The Addendum was approved by the RWMG Steering Committee on 12/18/2019 and submitted to DWR on the same day. The submittal of this update has cleared the way for the Santa Cruz IRWM to apply for \$2M in Prop 1 Implementation funds. They hope to receive those funds sometime in early summer 2020.

#### **4. Stormwater, Recharge, Flood Management, and Climate Change**

- a) The Santa Cruz County Flood Control and Water Conservation District – Zone 7 (Zone 7), Monterey County Water Resources Agency (MCWRA), City of Watsonville, and other entities continue to pursue implementation of a flood risk reduction project with the Army Corps of Engineers to significantly upgrade the flood conveyance system to provide an adequate level of flood protection for the Pajaro River, Salsipuedes Creek, and Corralitos Creek. The draft General Reevaluation Report and Environmental Assessment (GRR/EA) were completed and released by the Army Corps of Engineers for public review and comment in October 2017. A finalized GRR/EA is expected by March 2020, Zone 7 and MCWRA are seeking federal and state investment for design and construction.
- b) The Santa Cruz County Flood Control and Water Conservation District continues to refine and expand County-wide stream and rain gage monitoring capability to support enhanced situational awareness and emergency response. This activity includes enhanced web-based, publicly accessible data as well as improved communication and support of the County Emergency Operations Center and Emergency Management personnel. County Public Works Department (DPW) staff continue to maintain operation of the Automated Local Evaluation in Real Time (ALERT) flood warning system.
- c) The Santa Cruz County Flood Control and Water Conservation District has been awarded a Flood Emergency Response Grant from the California Department of Water Resources in the amount of \$725,467 to fund the configuration, installation, and operation of an enhanced weather monitoring system. The system will monitor real-time rainfall across the County via X-band radar and will drastically improve the predictive

capability of flooding events through the provision of higher spatial and temporal resolution of inbound and overhead storm systems.

- d) The Pajaro Storm Drain Maintenance District (PSDMD) is entering the feasibility phase of a multi-benefit tidal marsh and wetland restoration project in the lower Watsonville Slough. The purpose of the Project is to conduct feasibility analysis and initial design for a mostly nature-based infrastructure project that re-establishes and enhances wetland and tidal marsh habitat while providing flood risk reduction, climate change adaptation, and recreational opportunities to economically-disadvantaged local residents. PSDMD will secure partial funding from the Army Corps of Engineers under the Section 1135 Continuing Authorities Program, and the remainder of necessary funding will come from a Prop 1 grant award from the Ocean Protection Council in the amount of \$850,000. Feasibility work is expected to begin in 2020.
- e) The City of Watsonville received a California Office of Emergency Services Pre-Disaster Mitigation grant to write a City Local Hazard Mitigation Plan. Zone 7 staff are serving on the Steering and Planning Committees.
- f) Managed Aquifer Recharge (MAR) is a landscape management strategy that can help reduce aquifer overdraft by facilitating stormwater capture and infiltration into the aquifer. The RCD and the University of California, Santa Cruz (UCSC) have implemented four (4) MAR projects in the Pajaro Valley with funding from DWR the USDA Natural Resource Conservation Service (NRCS), and State Coastal Conservancy. These systems could recharge collectively more than ~500AFY. Two (2) additional projects, in Monterey County but within the Pajaro Groundwater Basin, are currently being evaluated. The RCD and UCSC continue to assess site suitability and develop additional MAR projects. The results of the MAR Suitability Study by Dr. Andrew Fisher from UCSC and the RCD are available at <http://www.rcdsantacruz.org/managed-aquifer-recharge> .
- g) The RCD, UCSC, and the PV Water are partnering to implement the Recharge Net Metering (ReNeM) program. This is a unique 5-year pilot program that provides a financial incentive to landowners that collaborate to build a managed aquifer recharge basin on their property. The program will be tested for five years to assess the benefits to the Pajaro Groundwater Basin and its residents. The primary focus of the ReNeM program is on stormwater collection directed to infiltration facilities, using a variety of techniques, to improve groundwater supplies.
- h) PV Water has collaborated with the U.S. Geologic Survey (USGS) to conduct climate change model simulations with projections through 2100. The climate change analysis evaluated potential impacts to the Pajaro Valley Basin from a combination of sea level rise and three climate change scenarios used by the California Department of Water Resources for climate-based water resource assessments.
- i) In the last decade three stormwater infiltration systems have been constructed in Scotts Valley by the Scotts Valley Water District and private developers. The District monitors all three – the combined infiltration total for water year 2019 was over 25 acre-feet.
- j) County staff continue to implement the County’s stormwater management program and update the program to address evolving State and Federal requirements.

- k) All of the current water supply planning projects take into account projected impacts of climate change, including increased water demand, reduced groundwater recharge, more significant droughts, and increased rainfall intensity.

## 5. Watershed Health and Aquatic Habitat

County Water Resource Program staff continue to implement various programs and projects to benefit steelhead and coho salmon habitat that is degraded due to historic and current land and water use. Coho salmon are listed as endangered under both the state and federal Endangered Species Act (ESA) and are critically endangered in Santa Cruz County. Small populations of coho salmon persist in North Coast streams with the support of a conservation hatchery. Steelhead are listed as threatened under the Federal ESA and continue to persist in most county streams at low to moderate population numbers. Current recovery actions focus on improving dry season streamflow and habitat complexity.

- a) County Water Resource Program staff continued to collaborate with local water agencies to monitor juvenile steelhead densities and stream habitat in four watersheds: San Lorenzo, Soquel, Aptos and Pajaro. Preliminary results for 2019 show overall increased densities in all 4 watersheds compared to 2018 and show continued recovery from low densities during the drought (2012-2015). Growth rates were good at most sites with many young steelhead growing into the larger size class (> 75 mm). In 2019, higher densities indicated higher adult returns and successful spawning despite winter storms. For Aptos lagoon, mark and recapture sampling resulted in the highest juvenile steelhead estimate of the 7 sampling years. For Soquel lagoon, the estimate was higher than average, indicating that juveniles from late spring spawning recruited to the lagoon.
- b) County Water Resource Program staff partnered with the Central Coast Wetlands Group and the Southern California Coastal Water Resources Project to develop a data analysis website for the steelhead monitoring program. Users can actively interact with and explore the data using web-based analysis tools. This new website is intended to both improve the accessibility of the data and evaluate if the current monitoring methods are providing the information needed to make conservation decisions. The data analysis shows that the current monitoring program captures overall trends in juvenile populations, how trends vary for watershed and juvenile size class and demonstrate recovery from recent drought conditions. The data analysis is currently being used to assist with groundwater and water resources planning in the Soquel Watershed. The website and data analysis can be accessed at <http://sccceh.com/steelhead.aspx>.
- c) County Water Resource Program staff continued to implement the Stream Wood Program to maintain large wood in streams for habitat value while allowing modification to manage flood risk and infrastructure protection. Staff responds to public requests, evaluates fallen trees and accumulations of wood, and provides a determination as to whether it is acceptable to leave wood in place or make modifications. The winter of 2018-19 created a moderate number (26) of new stream wood sites. The total inventory of stream wood in County streams continues to increase and a focus for the upcoming year will be to monitor sites. Significant benefits of stream wood include pool formation and cover habitat, sediment retention and sediment sorting.
- d) County Water Resource Program staff collaborated with the Resource Conservation District (RCD) of Santa Cruz County to implement the Upper Zayante Stream Wood Enhancement Project on San Lorenzo Valley Water District and City of Santa Cruz

properties. The project installed 16 stream wood structures to improve sediment retention and sorting and to provide high flow refuge, spawning and rearing habitat for salmonids.

- e) County Water Resource Program staff continue to develop a program to enhance the condition of the riparian corridor in streamside residential areas. Through 2019, staff monitored a 2018 pilot project and completed riparian assessments for several properties for native planting projects that will be implemented in 2020. Project goals included evaluating the time and effort to implement riparian plantings and to field test riparian plants for suitability in landscaped areas.
- f) County staff continue to participate in a multi-agency effort to restore natural lagoon and marsh dynamics at Scott Creek while constructing a new Highway 1 bridge at this location. The RCD is leading the project with a Technical Advisory Committee that includes regulatory and natural resource agencies. The project just reached a major milestone with the completion of a draft lagoon and marsh restoration plan. In addition, the Regional Transportation Commission recently received a grant to fund the initial bridge design with Caltrans.
- g) The County provided funding to the RCD to work directly with property owners to provide outreach and technical assistance on repairing and preventing storm related damage. From July 1, 2018- June 30, 2019, the RCD responded to 67 requests for assistance, delivering on-site technical assistance at 33 properties for issues including home drainage/erosion, roads, landslides, and streambank failures. These site visits allowed the RCD to leverage \$54,000 in fee for service funds and helped the RCD in securing a \$799,000 grant for sediment reduction in the San Lorenzo Watershed. The RCD held two workshops on "Living on Rural Properties in the Santa Cruz Mountains" which were attended over 150 landowners.
- h) The RCD, in partnership with Trout Unlimited and the County, has performed three years of summer streamflow monitoring at four gaging sites along Soquel Creek to better understand surface water availability and human water use patterns. The ultimate goal of the project is to identify off-stream storage opportunities and other water conservation projects to reduce the impacts of dry season diversions and shallow well use.
- i) The RCD continued to work with landowners and agency partners to plan and permit habitat improvement projects through the Integrated Watershed Restoration Program (IWRP). Projects include: fish passage barrier removals on Branciforte Creek, large wood installation on Soquel and Aptos Creeks, south county salamander breeding pond creation, and removal of the lower Mill Creek dam. Other projects underway or completed include: rural road upgrades, managed aquifer recharge projects, stormwater management and community education.
- j) The City of Santa Cruz and San Lorenzo Valley Water District continued efforts to monitor streamflow and habitat conditions in their drinking water watersheds in an effort to establish objectives for habitat improvement.
- k) Since 2015, the City of Santa Cruz has released significantly more flow for fish than in previous years in Laguna, Majors, and Liddell Creeks, and the lower San Lorenzo River as a part of an interim agreement with the fishery agencies. The City continues to work on its Endangered Species Act compliance and is currently working on an administrative

draft Habitat Conservation Plan (HCP) for anadromous salmonids that should be submitted for agency review by the end of FY 2020.

- l) The City of Santa Cruz conducted a number of other watershed protection efforts, including watershed lands fire preparedness work, ongoing lagoon monitoring, expanding their interpretive programming to include monthly tours on the “Newell Jewell” at Loch Lomond, hosting the fifth annual State of the San Lorenzo River Symposium, conducting patrols along the San Lorenzo River, cleaning up homeless camps, and pursuing enforcement on illegal stream diversions on critical streams. In Fall 2019, the City observed pink salmon juveniles for the first time in the San Lorenzo River lagoon during their annual seining surveys. This was the first time pink salmon had been observed in the San Lorenzo River since 1915.
- m) The City of Watsonville, Pajaro Storm Drain Maintenance District and Watsonville Wetlands Watch are actively pursuing a Proposition 1 IRWM grant for the Upper Struve Slough Habitat Restoration and Public Access Project. This project is a multi-benefit project that would improve water quality and water conveyance through Struve Slough. It would also extend the trail network through the slough system.

## 6. Water Quality

- a) During 2019, the County’s Water Quality Laboratory expanded its analytical capabilities and demonstrated proficiencies in chemical, microbiological, and immunological assays targeted at local water issues. The Laboratory implemented new testing methods for cyanobacterial toxins to provide accurate information on seasonal health risks in inland lakes and nearshore lagoons. The Laboratory is also developing molecular and biochemical techniques to determine if microbiological contamination is due to human activities within the watershed (e.g. onsite wastewater systems, encampments, illicit discharges) The Laboratory also implemented a rigorous quality assurance protocol to reduce reliance on single-use plastic containers, eliminating over 1,000 containers from the waste-stream. The Water Quality Laboratory is currently accredited under the State’s Environmental Laboratory Accreditation Program (ELAP) and provides analytical services for small drinking water systems, private wells, storm drains, and other local water quality testing requirements. During 2019, the Water Quality Laboratory hosted student interns from Cabrillo College and UCSC.
- b) The County’s ongoing recreational water monitoring program includes routine monitoring of about 30 beach sites to track potential health risks due to bacterial contamination. During 2019, weekly sampling was conducted between April and October at heavily visited beaches in accordance with AB411 and the Clean Water Act. County staff hosted State Water Board representatives for a training session on the use of molecular techniques for microbial source tracking. The County continues to collaborate with the State on improving sampling methods, analytical protocols, and data interpretation for monitoring marine and freshwater systems.
- c) County staff continued to coordinate with the City of Santa Cruz, the City of Capitola, the City of Scotts Valley, and the County Sanitation District to implement projects and conduct monitoring to assess public health threats, reduce bacterial contamination, and

improve water quality. Data are posted on an updated website<sup>1</sup> and mobile dashboard<sup>2</sup> where the most recent water quality data are mapped for locations across the County.

- d) County staff continued to participate with the City of Santa Cruz, Save the Waves Coalition, Surfrider Foundation, and the Sierra Club in the Cowell Beach Working Group, to better understand and control the elevated bacteria levels at Cowell Beach that have resulted in it being named as one of the most polluted beaches in the State. Ongoing City improvements and improved monitoring protocols have led to more consistent water quality and fewer health advisories (29 in 2017, 8 in 2018 and 13 in 2019). About 30% of the 2019 health advisories were associated with wet weather events.
- e) County staff continue to monitor harmful algae blooms in vulnerable waterbodies. The County partners with the City of Watsonville to monitor nutrient levels and cyanobacterial toxins in Pinto Lake. There was no evidence of release of cyanobacterial toxins in Pinto Lake during 2019, most likely due to mitigation measures and the in-lake treatment that was implemented in 2017. However, algal blooms were detected at nearby Kelly and Drew Lakes and also in several nearshore lagoons.
- f) County staff maintain ongoing efforts for water quality protection through onsite wastewater system management, monitoring, and investigation, funded by County Service Area (CSA) 12. Properly functioning onsite wastewater systems are critical for maintaining in-stream flows in the San Lorenzo River to support fisheries and ecosystems. County staff submitted in November an updated sewage disposal ordinance and a Local Area Management Plan (LAMP) to the Central Coast Regional Water Quality Control Board for their review. The ordinance and LAMP must comply with State standards for onsite sewage systems.
- g) County staff began working with the City of Watsonville and Watsonville Wetlands Watch to develop a more comprehensive water quality monitoring plan for the Watsonville Slough system. This partnership utilizes the citizen community science volunteers to collect samples and measure in-field water quality measurements. While the City's Public Utility Laboratory and County of Santa Cruz Environmental Health Laboratory analyze the samples for pathogens and nutrients.
- h) County staff contribute monitoring data and statistical analyses of water quality in impaired watersheds (San Lorenzo, Soquel, Aptos, Pajaro, Corralitos/Salsipuedes) in accordance with the Total Maximum Daily Load (TMDL) requirements of the Clean Water Act. County staff also conduct monitoring to in conjunction with flood control efforts, particularly in the lower Pajaro River.
- i) County staff partnered with Citizen Science activities sponsored by the Coastal Watershed Council and the Watsonville Wetlands Watch to process samples and generate defensible water quality data in support of the May 2019 'Snapshot Day' in and the 'First Flush' sampling at the onset of the rainy season in 2019.

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<sup>1</sup> <http://scceh.com/waterquality.aspx>

<sup>2</sup> <http://sccgis.maps.arcgis.com/apps/opsdashboard/index.html#/d500dbfbd292461a834462cb867c2224>

## 7. Small Water Systems

The Drinking Water Program staff continue to assist and oversee for the state, 115 small water systems (SWSs) with 5 to 199 connections, including neighborhoods, schools, outdoor camps, and businesses with their own source of drinking water. The Drinking Water Program staff work with these systems to maintain compliance with public health standards and meet the ongoing needs of the people and communities that rely upon them. County oversight includes regulation of water quality, quantity, monitoring, treatment, distribution, water system organization, and compliance with evolving federal and state compliance requirements. These systems are required to test for up to 84 different constituents on an ongoing basis.

- a) A small group of vulnerable SWSs are being tested for Per- and Polyfluoroalkyl Substances, also known as PFASs. These chemicals have been the focus of national attention due to their status as unregulated contaminants and were previously used in firefighting foam and consumer products such as nonstick pans. Monitoring and investigation efforts are ongoing to determine the extent of any contamination locally, particularly around landfills and the Watsonville airport. State regulations are currently under development.
- b) The Drinking Water Program met and exceeded its annual evaluation goal for water system inspections established with the State Water Resources Control Board.
- c) County staff continue to work with SWSs to track water production. This information is critical for the assessment of rural water use, an important component of groundwater management. System managers can also operate more effectively using this data to identify usage trends and potential leaks.
- d) The Drinking Water Program staff continues to hold meetings and trainings for SWSs to help build their technical, managerial, and financial capacity. Topics included the role of the Santa Cruz Local Agency Formation Commission (LAFCO), groundwater management updates, and reviewing water quality monitoring data through the State's Drinking Water Watch site. For the fourth year, County staff also held a separate workshop in the County computer training room to provide hands-on training and assistance for systems to complete their Electronic Annual Report to the State via the Drinking Water Information Clearinghouse (DRINC) Portal.
- e) The Drinking Water Program Projects of importance from 2019 include oversight of well construction (including xxx number wells for large water districts), storage tank and water main replacement, treatment upgrades, and troubleshooting bacteriological issues. County staff also provided guidance and resources to private well owner inquiries regarding water quality and system operation.

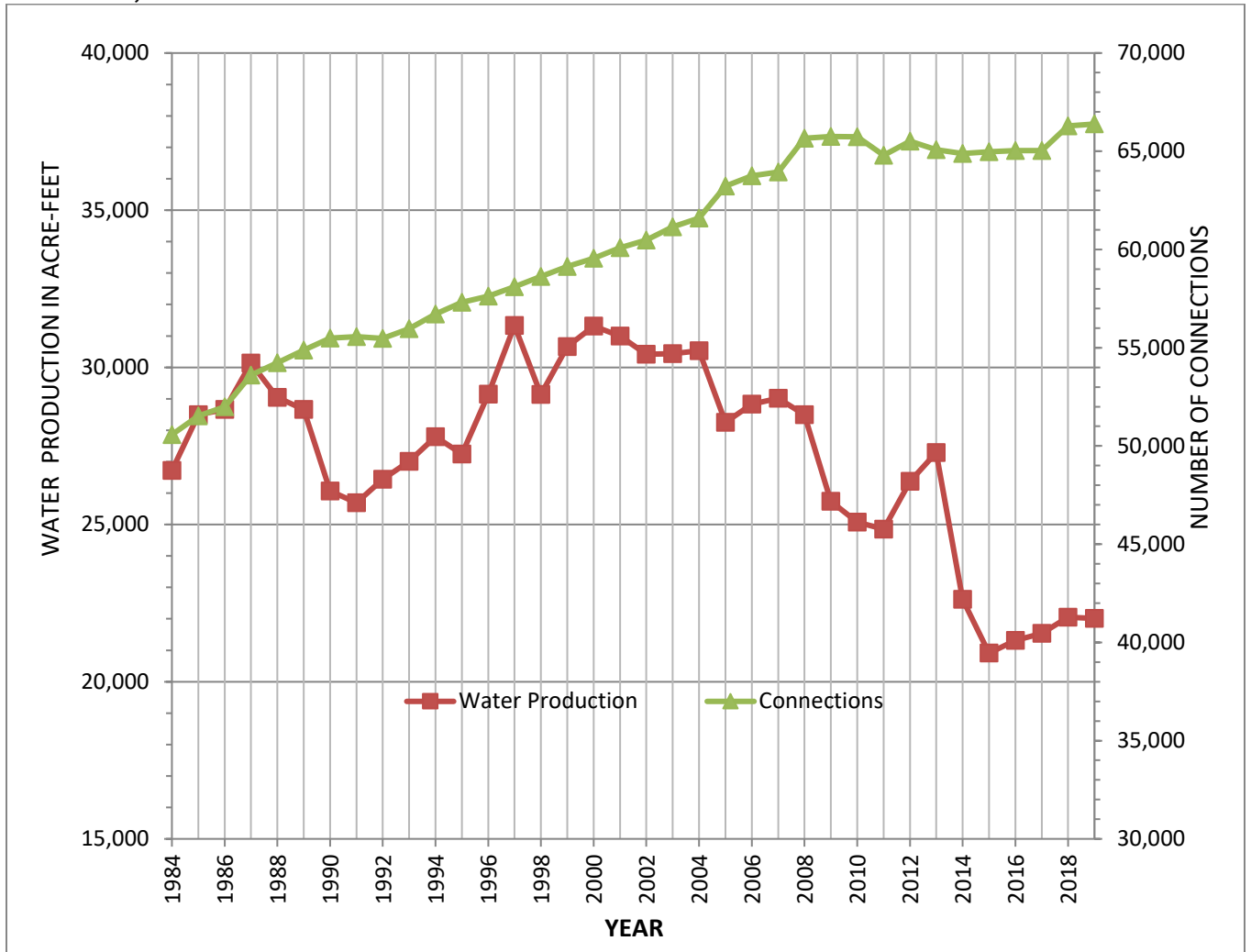
**Table 1: Water Use in Santa Cruz County, 2019** (Data for smaller systems is from 2018)

<b>Water Supplier</b>	<b>Connections</b>	<b>Population</b>	<b>Water Use acre-feet/yr</b>	<b>Ground water</b>	<b>Surface Water</b>	<b>Recycled Water</b>	<b>Imported</b>
Santa Cruz City Water Dept.	24,500	98,000	8,104	6%	94%		
Watsonville City Water Service	14,821	65,966	6,989	97%	3%		
Soquel Creek Water District	14,437	40,515	3,347	100%			
San Lorenzo Valley Water District	7,900	23,700	1,960	31%	69%		
Scotts Valley Water District	3,807	10,629	1,139	87%		13%	
Central Water District	818	2,706	377	100%			
Big Basin Water Company	596	1,680	161	28%	72%		
Mount Hermon Association	494	2,850	126	100%			
Forest Lakes Mutual Water Company	326	1,076	43	100%			
Smaller Water Systems (5-199 conn.)	2,340	7,157	770	77%	14%		9%
Individual Users*	8,000	21,000	2,630	95%	5%		
Pajaro Agriculture (SC Co only)**			20,700	92%	1%	7%	
Mid- & North-County Agriculture*			2,400	90%	10%		
<b>Totals</b>	<b>78,039</b>	<b>275,279</b>	<b>48,746</b>	<b>76%</b>	<b>20%</b>	<b>3%</b>	<b>0.1%</b>
<b>Summary by Water Source (acre-feet/year)</b>					<b>37,098</b>	<b>9,982</b>	<b>1,638</b>
<b>Summary of Non-Agricultural Use (acre-feet/year)</b>				<b>25,646</b>	<b>15,894</b>	<b>9,535</b>	<b>148</b>

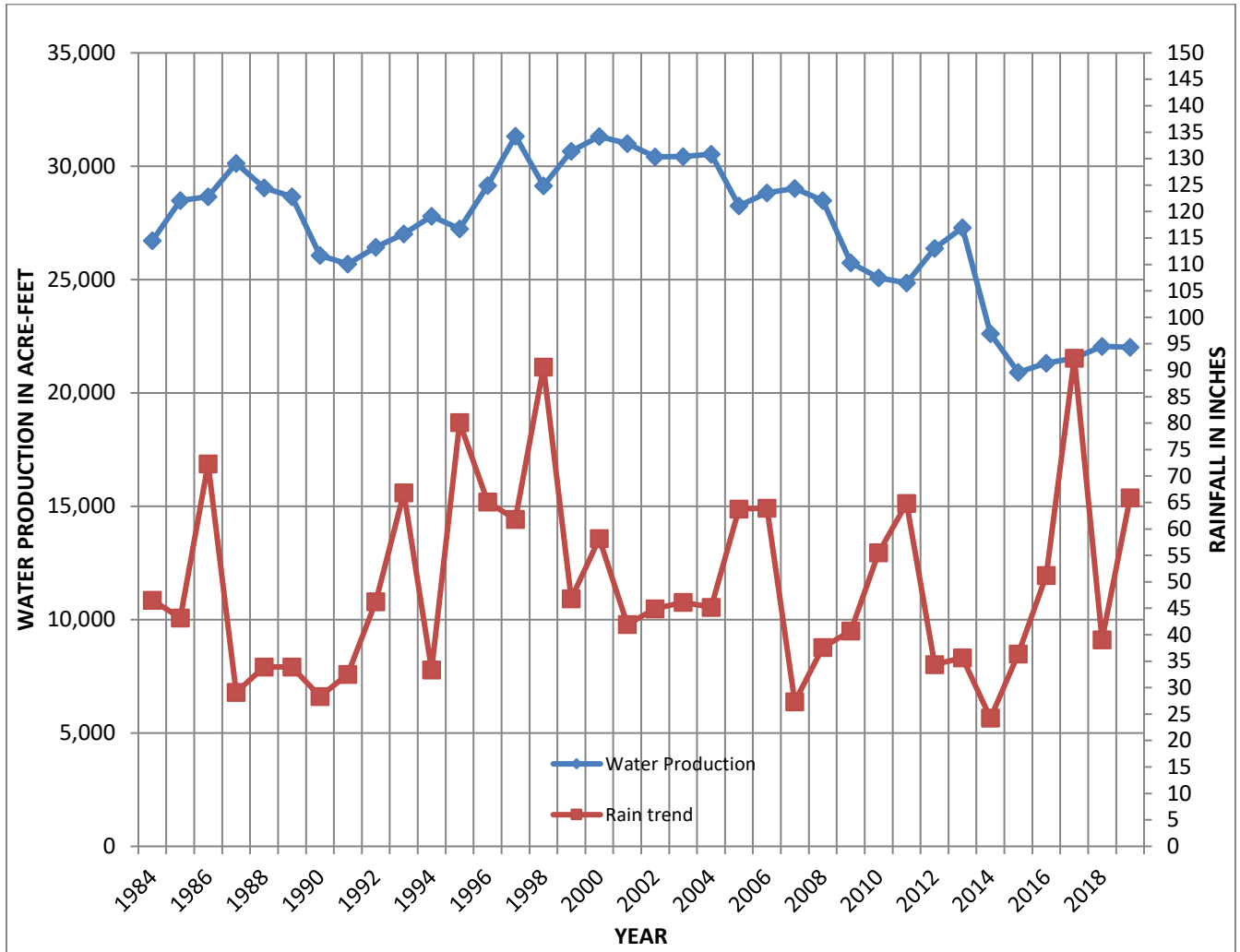
\*Values are Estimates

\*\* Includes a small number of water systems

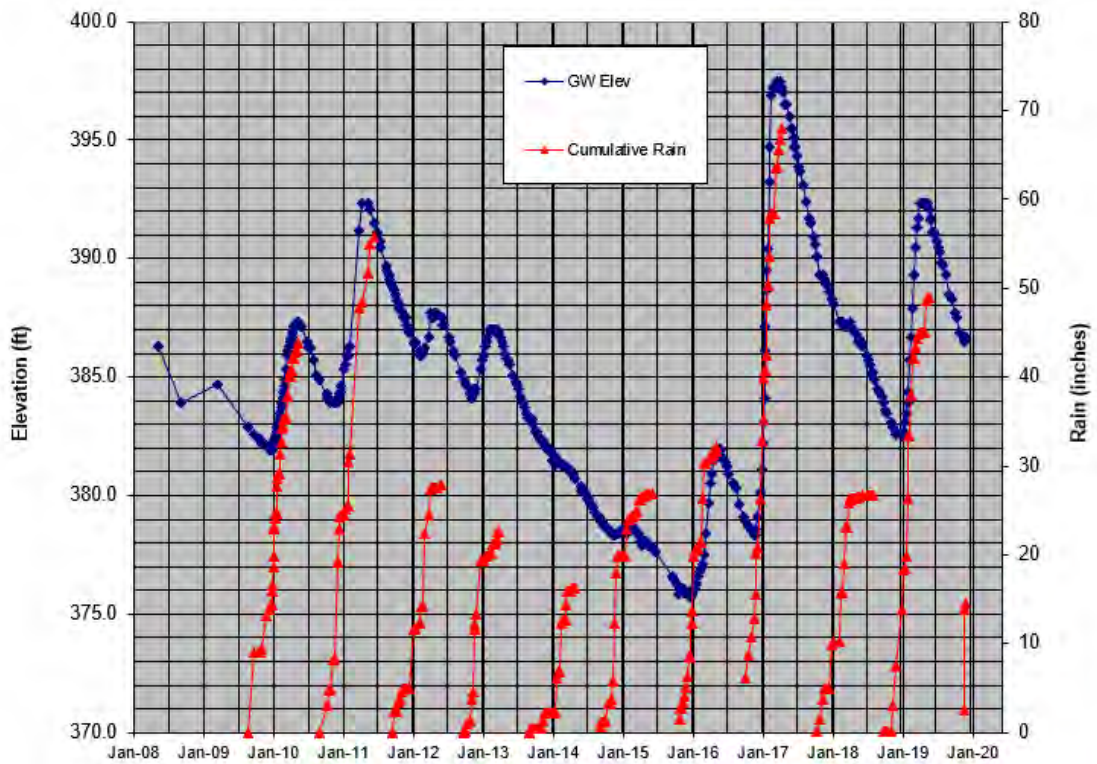
**Figure 1: Water use relative to number of connections for all major municipal suppliers, combined, 1984-2019**



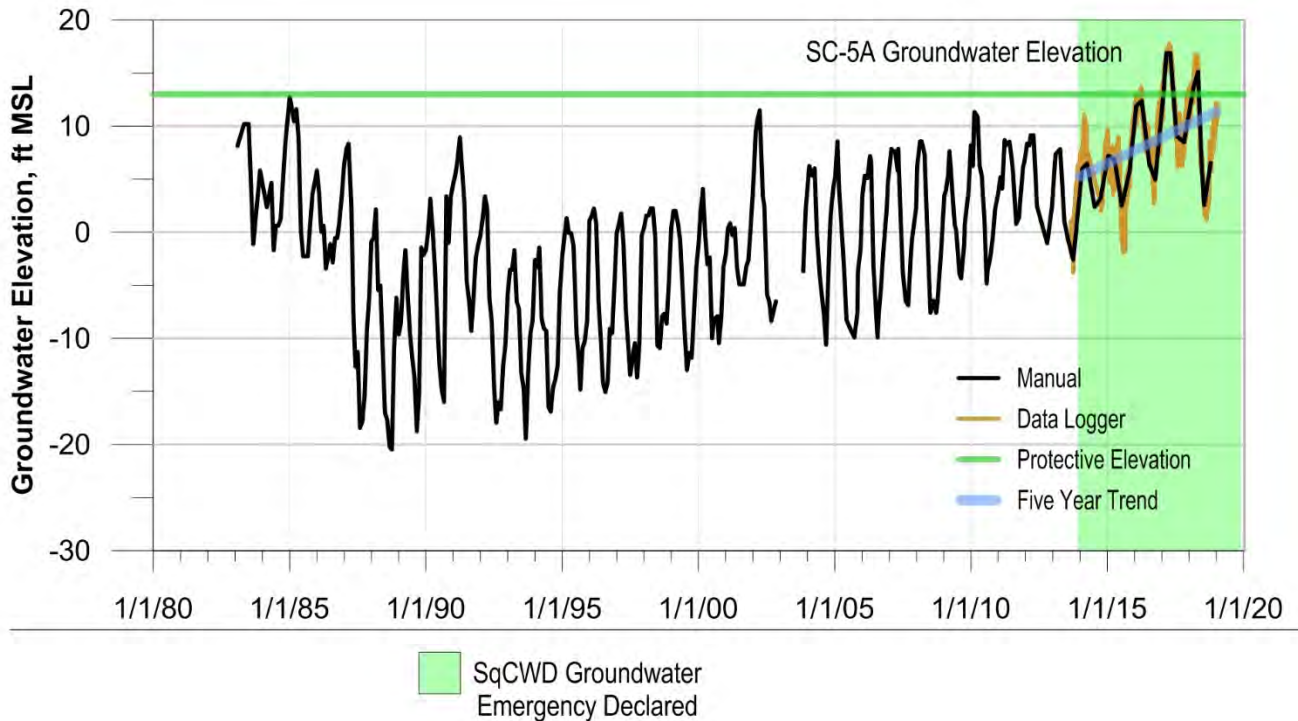
**Figure 2: Municipal water use and rainfall, 1984-2019**

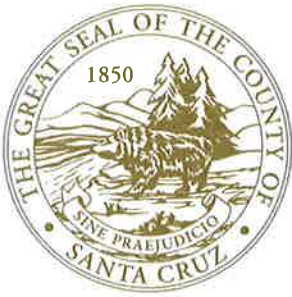


**Figure 3: Inland Groundwater Levels, Mid-County Basin, Soquel Hills**



**Figure 4: Coastal Groundwater Levels, Mid-County Basin, New Brighton area**





# County of Santa Cruz

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## BOARD OF SUPERVISORS

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THIRD DISTRICT

**GREG CAPUT**  
FOURTH DISTRICT

**BRUCE MCPHERSON**  
FIFTH DISTRICT

December 3, 2019

Scotts Valley Water District  
2 Civic Center Drive  
Scotts Valley, CA 95066

Dear Scotts Valley Water District,

I am writing to congratulate you on your November 19 receipt of a Santa Cruz County Green Business Certification highlighting the green practices of your business or organization.

In this time of climate change and other threats to our environment, it is critical that we make every effort to ensure our personal and professional practices are making our community healthier for future generations.

The efforts you have made to prevent pollution, conserve energy or water, or reduce carbon emissions are laudable, and I am pleased that you have qualified to be part of the County's Green Business Program, which has been in existence for 16 years now.

Sincerely,

BRUCE MCPHERSON, Supervisor  
Fifth District

The Association of California Water Agencies (ACWA) groundwater committee met on December 3<sup>rd</sup>, 2019 in San Diego as part of the ACWA semi-annual conference. As is the custom of Montgomery & Associates, we are providing our clients notes from this meeting to keep them informed on potential items of interest.

Most of the relevant information came from the DWR and SWRCB updates.

## **DWR UPDATE**

### **GSP SUBMISSIONS**

The GSP submission portal is open.

After a GSP is submitted, DWR will perform a completeness check within 20 days. This is not a check for adequacy; it is only a check to make sure the GSP includes all the required elements. DWR will post any GSP that passes the completeness check on the DWR website within 20 days of submission.

Following the completeness check, DWR will open a 60-day comment period. Comments can be submitted through the GSP portal, and do not require a portal login. Any submitted comment will be forwarded to both DWR and the GSP manager that is listed in the plan. DWR will consider the comments, but will not respond to the comments. GSAs can respond to comments and provide the responses to DWR – which will consider the responses along with the comments.

DWR intends to engage GSAs during both the 60-day comment period and the GSP review. It is not DWR's intent to "go dark" during the GSP review. This will not entail regular discussions, but will consist of occasional outreach to GSAs in order to clarify or discuss issues that DWR identifies.

GSP reviews will be based on the 10 criteria listed in the SGMA Regulations § 355.4 (b).

DWR plans on releasing its assessment of GSPs as the assessments are completed. Unlike DWR's assessment of Alternative Submissions, they will not wait two years to release all assessments at the same time. This means some GSA's will receive their assessments before DWR's two-year review deadline.

GSPs are reviewed at a subbasin level. DWR will review all GSPs in a subbasin together, as a single plan.

DWR will be holding two workshops in January to further discuss GSP submission and GSP evaluation. The two workshop dates and locations are:

Wednesday, January 8  
8:30 am to 12:30 pm  
Paso Robles City Hall

Thursday, January 9  
8:30 am to 12:30 pm  
Clovis Veterans Memorial District

You can sign up to attend one of these workshops at:

<https://www.eventbrite.com/e/sustainable-groundwater-management-act-sigma-workshop-tickets-8536620762>

## **TECHNICAL SERVICES**

DWR is contracting with an unnamed provider to conduct Airborne Electro-Magnetic (AEM) subsurface mapping of all medium and high priority basins in the State. This is similar to the AEM work that was completed in the Tulare area, Soquel Creek Water District coastal area, Monterey coastal area, and Paso Robles area. DWR will also develop an advisory committee to guide the project. In subsequent conversations with DWR staff and others, they stated that their intent is to map all medium and high priority basins; there is no need to sign up for this service. (Derrick's opinion – if you are interested in this service it may be productive to stay in touch with DWR and lobby to have AEM flown in your basin early in the program.) Other people familiar with the program stated that DWR may be providing money for only rough mapping – on the order of 5 kilometers between flight lines. The individual GSAs can then supplement DWR's money to have more refined mapping done.

DWR will soon be offering written translation services for small documents (they will not translate your entire GSP). The service is intended for fact sheets, notices, etc. The current limit is 1,500 words (approximately 3 to 5 pages). A GSA can upload a document to the DWR website for translation into a number of languages (Spanish, Mandarin, Tagalog, etc.). More information to be available soon.

## FUNDING

DWR received 54 applications for Round 3 of the Proposition 68 planning grants. The total amount requested is approximately \$53 Million, although the official amount of the requests has yet to be finalized. There is \$50 Million available in Round 3. Therefore, it appears as though most applications will be at least partially funded (This is Derrik's opinion, it was not stated by DWR).

## STATE WATER RESOURCES CONTROL BOARD

The SWRCB has developed an interactive map that provides information on the water rights status of all rivers in the state. It is called the Fully Appropriated Stream Systems (FASS) GIS Web Map. The map can be accessed from this page:

[https://www.waterboards.ca.gov/waterrights/water\\_issues/programs/fully\\_appropriated\\_streams/](https://www.waterboards.ca.gov/waterrights/water_issues/programs/fully_appropriated_streams/)

After launching the GIS map, you can find streams that are fully appropriated year-round as well as streams that are fully appropriated seasonally. The map links to appropriate SWRCB decisions about fully appropriated streams.

Erik Ekdahl from the SWRCB presented information on new streamlined water rights permitting initiatives. Generally, there are three new initiatives:

1. A five-year temporary permit to divert high flows. This permit is effectively a longer-term version of the 180-day permits that SWRCB has been granting in recent years. Water can only be diverted when the daily flow is above the 90<sup>th</sup> percentile, and no more than 20% of the streamflow can be diverted. This permit does NOT establish a priority for a permanent diversion permit. However, data collected during these diversions can help justify a permanent permit. Only GSAs or local agencies are permitted to apply for these permits. Other restrictions apply as discussed in the presentation that we link to, below.
2. Streamlined permanent diversion permit. This is a streamlined system to permit diversion of high flow events between December 1 and March 31. The permit is for diversion to underground storage in accordance with a GSP. Only GSAs or local agencies are permitted to apply for these permits. Other restrictions apply as discussed in the presentation that we link to, below.
3. Erik did not talk about it much, but apparently SWRCB is developing a streamlined system to modify existing diversion permits under certain circumstances.

Information about these streamlined permits can be found here:

[https://www.waterboards.ca.gov/waterrights/water\\_issues/programs/applications/groundwater\\_recharge/](https://www.waterboards.ca.gov/waterrights/water_issues/programs/applications/groundwater_recharge/)

ACWA hosted a webinar on this streamlined permitting system on December 13, 2019. The PowerPoint slides from that webinar can be found here:

**[PDF of PowerPoint Presentation](#)**

The audio from the webinar can be found here:

**[RECORDING of the Webinar](#)**

## Saving Money and Water: The Scotts Valley i-Meter

Posted date 12-27-19

Katie Evans, Staff Reporter



Ekwall simultaneously reveals the i-Meter at his home and the site of a leak.

The Scotts Valley Water District has some exciting changes to share with the whole valley. For the past two years they have been installing meters throughout the valley that will help conserve water and money. I sat down with David McNair, the Operations Manager, Nicholas E. Kurns, the Finance and Customer Service Manager, and Bill Ekwall, an i-Meter user and Water District Board Member, to learn more details on the new metering system.

About 75% of the Scotts Valley Water District's 10,700 customers have recently received these i-Meters already. They allow easy access to hourly usage history, leak detection alerts, high bill notifications, consumption comparison to similar households, and conservation tips to any customer. All of these new services are accessible through a new user portal, through a partnership with WaterSmart. Due to these new resources, it's now incredibly easy to save water and money during your day-to-day routine. Kurns further explained the new system's ease of use, "WaterSmart's user interface is head-and-shoulders above others. It's designed to be easy to use...Customers can, as seamlessly as possible, digest this vast amount of data... WaterSmart has partnered with tons of water districts throughout the country, so they have strong algorithms and can tell you how your consumption compares to other households of a similar size."

The meter replacement has been ongoing since 2017 and will be finished by April of 2019. McNair explained the global trend to automate water meters at our meeting. "We [no longer] have to go out physically every second month and read each meter. The new meters come with a transmitter that connects physically to the water meter and generates a signal that you can download whenever you'd like." As of this week, the SVWD staff can electronically access water meter data for almost 3,000 meters. While the SVWD are already reaping the benefits of the program, only 10% of households are utilizing their new data access. This low rate of enrollment is quite a shame since it's pretty impossible to find any downside

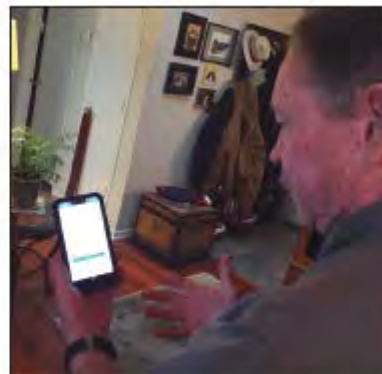
to the i-Meter system. It's cost effective and highly beneficial for both the customer and the SVWD. McNair explained that even the timing was advantageous, "Our inventory of meters was getting pretty old... The average lifespan is 20 years, so it was time for us to do a meter change out anyway."

Perhaps the most important upgrade to the system is the speed of leak detection. Before the i-Meter implementation it could take up to two months to discover a leak. However, with the new system, continual usage of 3 gallons/hour for 24 hours is automatically flagged as a potential leak and a notification is sent to the user and district. Ekwall hefted great praise onto the new system after recently experiencing a leak "Within a few months after installment... I got a message on my phone. It said I had a leak at my house." Ekwall was away so he had his wife check around for leaks. She couldn't find any, and neither could he after he returned home. At first Ekwall assumed it was a "fluke in the system," as he couldn't "see or hear anything." The system continued to alert him, even prompting a call from SVWD. He checked a third time, starting with a look at the meter. "As soon as I pulled the meter box open, it was full of water and leaking down a gopher hole." Ekwall ultimately described himself as "very happy with the situation... I had a leak years ago and it cost me 900 dollars because it wasn't detected right away and having this opportunity to have something right on my phone is unbelievable."

Near the end of my interview, McNair shared his excitement about potential growth for the i-Meter. The system lends itself to an easy installment, according to McNair. "Most systems you have to build your own network, which is pretty expensive, but this uses cellular phone technology, which is readily available and doesn't require any other specialized equipment." While the SVWD is the first district in the area to implement this system, San Lorenzo Valley is also quickly installing the same system. Meanwhile, the City of Soquel has been considering switching to i-Meter and the City of Santa Cruz is also considering an entire switch to i-Meter after using it to monitor some landscaping. All in all, we should commend our Water District for being on the cutting edge of water conservation software. If you'd like to enroll in the system, understand more about the i-Meter, or would like to see Nicholas Kurns' wonderful acting debut (this journalist gives it five stars!), visit <https://www.svwd.org/customer-info/i-meters>.

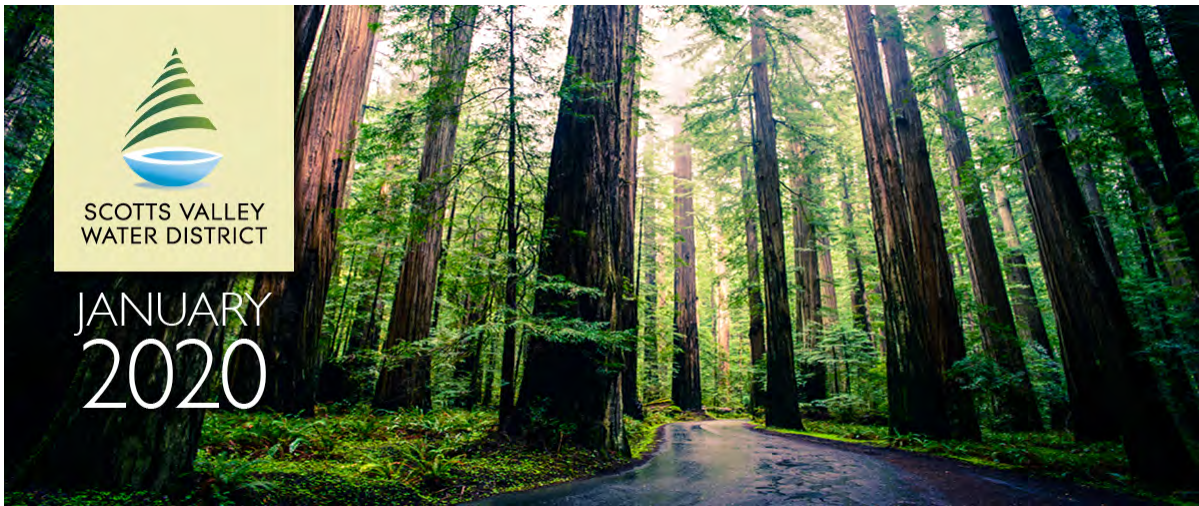


McNair and Kurns show off the user friendly nature of their new water monitoring software.



Ekwall checks on the i-Meter app in his home.

*Katie Evans just graduated from Whitman College in Walla Walla, Washington. When she's not writing articles, you can find her hiking in the redwoods, baking, or reading a book cuddled up to her favorite pug. Reach her at [kevans@press-banner.com](mailto:kevans@press-banner.com).*



## Save water and money with new i-Meters

District crews have upgraded almost 75 percent of all water meters to new “Intelligent Meters,” which means the majority of District customers can now easily [view, understand and manage their water use](#) through the WaterSmart customer web portal on the [District website](#).



Approved by the Scotts Valley Water District Board of Directors in 2017, the i-Meter project involves replacing all meters installed before 2012. The new i-Meters enable customers to:

- View hourly usage history
- Set up leak detection alerts and high bill notifications
- Compare their consumption to similar households
- Explore water and money-saving actions
- Sign up to receive personalized tips on how to save water
- Access billing statements
- Apply for District rebates

District-wide installation of i-Meters is expected to be completed in 2021. Customers with the new meter receive a letter from the District with more information on how to access their account on the new portal.

“We are proud to offer this innovative service to our customers,” District General

Manager Piret Harmon said. “The i-Meters are a great tool to help customers and District staff resolve leak issues and better understand local water demands.”

Previously, customer water use information was collected once every two months by District staff, making it difficult to monitor water consumption, catch leaks early or pinpoint ways to be more water efficient. [The i-Meters are part of an integrated network and data management system that enables more frequent and up-to-date access to customers’ water use.](#)

The i-Meter system uses wireless cellular technology to securely communicate meter readings through a cloud-based system to the District’s server once every 24 hours. The new devices that collect and transmit data are connected to the water meter in the existing meter box, near the street or sidewalk.

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**We’re hiring! Join our team as a Water Operations Intern.**  
[Apply by January 31st.](#)

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## Welcome, Junior Associate Board Members



Meet our two new Junior Associate Board Members, Annie Finch and Noelle Downing.

These two bright individuals are the first to be selected for the Junior Associate Board Member Pilot Program, a year-long program designed to engage the community, increase the awareness about District’s activities and to incorporate next-generation perspective into District long term planning.

**Did you know we're on Instagram?  
Follow the District: [@scottsvalleywaterdistrict](https://www.instagram.com/scottsvalleywaterdistrict)**



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