



# SCOTTS VALLEY WATER DISTRICT

## **AGENDA PACKET**

### **REGULAR BOARD MEETING**

**09/08/22 at 6:00 p.m.**

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

This meeting is conducted in a hybrid setting.

Public participation is encouraged. Members of the public may attend in person or remotely through this link <https://us06web.zoom.us/j/86757235890> or by phone: 253-215-8782 Meeting ID: 867 5723 5890.

The public has opportunities to make comments throughout the meeting: to comment online, use the raise hand option, by phone press \*9.

#### **BOARD OF DIRECTORS**

**Ruth Stiles, President**

**Chris Perri, Vice President**

**Bill Ekwall, Director**

**Wade Leishman, Director**

**Danny Reber, Director**

**Noelle Downing, Associate Director**

**Piret Harmon, General Manager**

## Water Industry Acronyms

AF – Acre Foot

AFY – Acre Foot per Year

ACWA – Association of California Water Agencies

ACWA JPIA – ACWA Joint Powers Insurance Authority

AWWA – American Water Works Association

BMP – Best Management Practices

CCR – Consumer Confidence Report

CD – Certificate of Deposit

CEQA - California Environmental Quality Act

CSDA – California Special District Association

DHS – Department of Health Services

DWR – Department of Water Resources

EIR – Environmental Impact Report

EPA – Environmental Protection Agency

FY – Fiscal Year

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

RWQCB – Regional Water Quality Control Board

SCWD – Santa Cruz Water Department (City of)

SDWA – Safe Drinking Water Act

SGMA – Sustainable Groundwater Management Act

SLVWD – San Lorenzo Valley Water District

SMGWA – Santa Margarita Groundwater Agency

SqCWD – Soquel Creek Water District

SWRCB – State Water Resources Control Board

TP – Treatment Plant

WY – Water Year



# SCOTTS VALLEY WATER DISTRICT

Board of Directors

## Regular Meeting

**09/08/22 at 6:00 p.m.**

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

### Agenda

BOARD OF DIRECTORS  
PRESIDENT Ruth Stiles  
VICE PRESIDENT Chris Perri  
Bill Ekwall  
Wade Leishman  
Danny Reber  
ASSOCIATE DIRECTORS  
Noelle Downing  
GENERAL MANAGER  
Piret Harmon

This meeting is conducted in a hybrid setting. Public participation is encouraged, members of the public may attend in person, remotely through this link <https://us06web.zoom.us/j/86757235890> or by phone: 253-215-8782 Meeting ID: 867 5723 5890. The public has opportunities to make comments throughout the meeting. To comment online, use the raise hand option, by phone press \*9. If experiencing technological difficulties online, join the meeting via phone.

#### 1. Convene

- 1.1. Call to Order and Roll Call
- 1.2. Pledge of Allegiance and Invocation
- 1.3. Closed Session Report (none)
- 1.4. Additions/Deletions to the Agenda
- 1.5. Oral Communications

#### 2. Presentation

Communication and Community Outreach Update – Miller Maxfield

#### 3. Administrative

*Items are informational in nature and do not include an agenda report.*

- 3.1. Committee and Other Agency Meeting Reports
  - Engineering and Water Resources Committee (none)
  - Finance & Personnel Committee (none)
  - [Executive & Public Affairs Committee 08/24/22](#)
  - AdHoc Scotts Valley Water District-Soquel Creek Water District 08/10/22 - oral
  - Santa Margarita Groundwater Agency Board (none)

#### 4. Consent

*Items are routine in nature, may include agenda reports and be approved by one motion.*

- 4.1. [Approval of Minutes – Regular Board Meeting 08/11/22](#)

Recommendation: Approve the minutes of the 08/11/22 Board Meeting.

**5. Public Hearings (none)**

*Items include an agenda report with recommendation, an oral staff report or presentation.*

**6. Business**

*Items are complex in nature, considered individually, and each item includes an agenda report with recommendation and an oral staff report or presentation.*

6.1. [Well 3B Replacement \(Sucinto Well\) Award Contract](#)

Recommendation: Award contract and authorize the General Manager to execute an agreement with Maggiora Brothers Drilling, Inc. in the amount of \$1,551,575 for the construction of a new production well (Sucinto Well) to replace Well 3B.

6.2. [District Administrative Code](#)

Recommendation: 1) Adopt Ordinance No 168-22 amending the Administrative Code of the Scotts Valley Water District; and upon its adoption 2) Rescind Ordinance No 167-18 in its entirety.

**7. Staff Reports**

7.1. Legal

District Counsel - oral

7.2. Administrative

General Manager – oral

7.3. Finance

[Financial Reports 07/01/22 through 07/31/22](#)

7.4. Operations

Operations Report - oral

Production, Demand and Rainfall Data (none)

Leak Adjustment Program Report 07/01/22 through 07/31/22

**8. Directors Reports**

Travel and Meetings

Other

**9. [Written Correspondence](#)**

ACWA Groundwater Committee Meeting Report 07/26/22

Opposition Letter, SB 222 Water Rate Assistance Program

Spring Lakes Correspondence

**10. Community Relations**

Amid drought, County Water Managers Describe Challenges, Santa Cruz Local 07/26/22  
August Newsletter

**11. Closed Session**

Pursuant to Government Code 54957 (b)(1)  
Consider the appointment and employment of a General Manager and contract terms, therefore.

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

**13. Future Items**

Annual Reimbursements Disclosure  
Junior Associate Board Interviews

**14. Meetings and Event Calendar**

Board Meetings	Committee Meetings
10/13/22	09/26/22 Engineering & Water Resources
11/10/22	09/28/22 Executive & Public Affairs
12/08/22	09/28/22 Finance & Personnel

**Santa Margarita Groundwater Agency**

Board Meeting 09/22/22

**Events**

WaterReuse California Annual Conference 09/11/22 – 09/13/22 San Francisco  
GRAC Western Groundwater Congress 09/19/22 – 09/21/22 Sacramento  
ACWA Region 5 Program and Tour 10/06/22 – 10/07/22 Monterey  
ACWA Fall Conference 11/29/22 – 12/01/22 Indian Wells

**15. Adjourn**

The next regular meeting of the Scotts Valley Board of Directors is scheduled for 10/13/22.

AVAILABILITY OF PUBLIC RECORDS PROVIDED TO THE BOARD OF DIRECTORS: THE DISTRICT MAKES ANY PUBLIC RECORD PROVIDED TO THE BOARD OF DIRECTORS AVAILABLE FOR PUBLIC REVIEW AT [WWW.SVWD.ORG](http://WWW.SVWD.ORG) AND AT THE DISTRICT OFFICE DURING NORMAL BUSINESS HOURS AT THE SAME TIME IT IS PROVIDED TO THE BOARD OF DIRECTORS.

PUBLIC ACCESS – ACCOMMODATIONS UNDER THE ADA: PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT OF 1990, THE DISTRICT REQUESTS THAT ANY PERSON IN NEED OF ANY TYPE OF SPECIAL EQUIPMENT, ASSISTANCE OR ACCOMMODATION(S) IN ORDER TO EFFECTIVELY COMMUNICATE AT THIS MEETING MAKE A REQUEST AT THE ABOVE ADDRESS OR BY CALLING (831) 438-2363 AT LEAST OF THREE (3) WORKING DAYS BEFORE THE MEETING TO ALLOW TIME TO MAKE ARRANGEMENTS.



# SCOTT'S VALLEY WATER DISTRICT

svwd.org  svwater

Executive and Public Affairs Committee  
District Conference Room  
2 Civic Center Drive, Scotts Valley, California

08/24/22 12:00 P.M.

## Meeting Report

### 1. Convene Meeting

The meeting convened in a hybrid setting at 12:03 p.m. in the District Conference Room.

Present: Director Perri (in person) and Director Stiles (in person).

Staff: General Manager Harmon and Operations Manager McNair.

Guest: None.

### 2. Discussion Items

None.

### 3. Business Items

#### 3.1 Closed Session

General Manager Harmon announced that pursuant to Government Code §54957 (b)(1) the Committee will discuss the appointment of a General Manager and contract terms in a closed session.

### 4. Report on Closed Session

General Manager Harmon reported that the committee directed her to schedule this item on closed session at the 09/08/22 Board meeting.

### 5. Oral Communications

None.

### 6. Future Agenda Items

None.

### 7. Adjournment

The meeting adjourned at 12:50 p.m.

Board of Directors  
**Regular Meeting**  
**08/11/22 at 6:00 p.m.**

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

**Minutes**

**1. Convene**

1.1. Call to Order and Roll Call

President Stiles called the meeting to order at 6:02 p.m. in the Santa Margarita Community Room. The meeting was conducted in a hybrid setting.

Directors

Bill Ekwall  
Wade Leishman  
Chris Perri  
Danny Reber  
Ruth Stiles

Staff

Bob Bosso, Legal Counsel (remote)  
Piret Harmon, General Manager  
Nick Kurns, Finance & Customer Service Manager  
David McNair, Operations Manager  
Donna Paul, Assistant to General Manager (remote)

Associate Directors

Noelle Downing  
Annie Finch (absent)

Guests

Five guests were in the audience

President Stiles announced that Associate Director Annie Finch has resigned.

1.2. Pledge of Allegiance and Invocation

Director Perri led the pledge and Director Reber the invocation.

1.3. Closed Session Report (none)

1.4. Additions/Deletions to the Agenda

There were no additions or deletions.

1.5. Oral Communications

Oral communications were made by Cris Poole and June Langhoff on behalf of Ann Perkins.

**2. Presentations (none)**

**3. Administrative**

3.1. Committee and other Agency Meeting Reports

Engineering and Water Resources Committee (07/25/22)

Director Leishman reported that the committee discussed the state mandated ban on watering non-functional turf.

Finance & Personnel Committee (07/22/22)

There was nothing further to add to the written report.

Executive & Public Affairs Committee (none)

AdHoc Scotts Valley Water District-Soquel Creek Water District 06/08/22, 07/13/22

Director Ekwall reported that discussions are ongoing on subjects such sharing equipment and a networking event is being planned.

Santa Margarita Groundwater Agency (SMGWA) Quarterly Recap

Director Perri provided an oral report on the 07/28/22 meeting.

#### **4. Consent**

4.1. Approval of Minutes – Regular Board Meeting 06/09/22

4.2. Agreement for Hydrogeological Support Services for New Production Well

Recommendation: Approve and authorize the General Manager to execute an agreement with Montgomery & Associates, in the amount of \$312,544 for hydrogeological support services for a new production well.

MOTION carried to approve the Consent agenda by unanimous voice vote.

#### **5. Public Hearings (none)**

#### **6. Business**

6.1. Santa Cruz County Civil Grand Jury Report: Our Water Account is Overdrawn

General Manager Harmon provided the staff report. The Board discussed the mandates in the report and provided minor edits to the response.

MOTION carried to approve and authorize the staff to submit the response from Scotts Valley Water District for the Santa Cruz County Civil Grand Jury Report: Our Water Account is Overdrawn Beyond Conservation: Achieving Drought Resilience by unanimous voice vote.

6.2. Compensation Adjustment for Exempt Classifications

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

MOTION carried to approve the compensation adjustments for Finance and Customer Service Manager, Operations Manager and Assistant to General Manager classifications by unanimous voice vote.

**7. Staff Reports**

7.1. Legal

Legal Counsel Bosso reported that there has been little legislative or legal activity this summer.

7.2. Administrative

General Manager-oral

Board Compliance Report

Board Regulations Review Schedule

The General Managers report is appended.

7.3. Finance

Financial Reports 07/01/21 through 06/30/22

Finance and Customer Service Manager Kurns provided the staff report.

7.4. Operations

Operations Report - oral

Production, Demand and Rainfall Data through 07/31/22

Leak Adjustment Program Report 07/01/21 through 06/30/22

Development Projects Status Report 07/01/22

Operations Manager McNair reported recent main breaks on Janis Way and Canham Road and completion of the Well 11B repair project.

**8. Directors Reports**

Director Perri reported on volunteering at the Recycled Fill Station on 08/06/22.

President Stiles reported that Associate Director Finch has resigned, all three incumbents have filed paper and she is working with Piret on a social event between North County water districts.

**9. Written Correspondence**

None.

**10. Community Relations**

Local Water Resource Managers Prepare for Another Dry Summer, GoodTimes 07/05/22

July Newsletter

June Newsletter (2)

**11. Closed Session (none)**

**12. Report on Closed Session and Additional Items (none)**

**13. Meetings and Event Calendar**

Board Meetings

09/08/22

10/13/22

11/10/22

Committee Meetings

08/22/22 Engineering & Water Resources

08/24/22 Executive & Public Affairs

08/24/22 Finance & Personnel

**Santa Margarita Groundwater Agency**

Board Meeting 08/25/22

**Events**

Water Reuse California Annual Conference 09/11/22 – 09/13/22 San Francisco

**13. Adjourn**

The meeting adjourned at 7:17 p.m.

Approved:

Attest:

\_\_\_\_\_  
Ruth Stiles, Board President

\_\_\_\_\_  
Piret Harmon, Board Secretary

**STAFF REPORT – General Items**

Scotts Valley Water District

**Date:** 8/11/22

**To:** Board of Directors

**From:** General Manager

1. District participated in Scotts Valley 4<sup>th</sup> of July parade (7/3) with 6 employees contributing their time. It was a success and worth considering making it annual event for District.
2. District will be hosting a “free water booth” at the upcoming SV Art Wine Beer Festival on August 20-21. Any directors who are available and willing to volunteer, please contact Claudia to sign up.
3. SWRCB released numbers on statewide urban water use that showed a 3.1% decrease between May 2022 and May 2020, with preliminary data from June showing a 7.7% decrease between 2022 and 2020. Governor Newsom is currently maintaining a call for Californians to reduce their water use voluntarily by 15% over 2020 water use levels. By 2020, Californians had already reduced water use by 16% from 2013.

District’s potable water demand in May 2022 was essentially the same as May 2020, June 2022 resulted in 1% reduction and July 2022 9.7% reduction from the same months in 2020.

4. I attended ACWA Region 1 event in Eureka on July 7-8.

## **AGENDA REPORT**

Scotts Valley Water District

**Date:** 09/08/22

**To:** Board of Directors

**Item:** Business 6.1

**Subject:** **Well 3B Replacement (Sucinto Well) Award Contract**

**Reason:** Complies with District Administrative Code, Chapter 3.20 Public Works Projects

### **SUMMARY**

**Recommendation:** Award contract and authorize the General Manager to execute an agreement with Maggiora Brothers Drilling, Inc. in the amount of \$1,551,575 for the construction of a new production well (Sucinto Well) to replace Well 3B.

**Fiscal Impact:** The total amount of this contact is \$1,551,575. Funds are available in the FY 2022 Capital and Maintenance Projects Program budget.

**Previous Related Action:** On 06/09/22 the Board approved the FY 2023 Budget that included funding for the Well 3B Replacement project.

### **BACKGROUND**

In October 2017 Well 3B unexpectedly went offline due to a pump motor failure. A subsequent video inspection of the well revealed significant casing corrosion. To get the well back online the new pump and motor were set higher in the well where it was shown to have less casing corrosion. This helps to avoid losing the pump and motor if there is a casing collapse, but it also reduced well runtimes and production output.

Engineering and design for a new production well to replace Well 3B was completed in March 2022. The design included the construction of a new production well with a stainless-steel casing that pumps water to the Orchard Run Water Treatment Plant for filtration and disinfection before distribution and is planned to produce 400+ gallons per minute.

### **DISCUSSION**

District Administrative Code, section 3.20.200, Waiver of Public Works Bidding Process, waives the requirements of competitive bidding set forth in section 3.20.040, Competitive Bidding for Projects over \$100,000, if the District uses public works contractors which were obtained through a formal bid process conducted by another public agency.

In Spring of 2022, the Soquel Creek Water District conducted a formal bid process for the construction of a replacement well and received two qualified bids. At its 06/02/22 meeting the Board of Directors awarded a construction contract to Maggiora Brothers Drilling Inc. who provided the lowest qualified bid.

The current Well 3B replacement construction is scheduled to begin in January 2023 and completed by the end of July of 2023.

Submitted,

David McNair  
Operations Manager

Enclosed: Proposal

# MAGGIORA BROS. DRILLING, INC.

DRILLING CONTRACTORS - PUMP SALES & SERVICE  
CALIFORNIA CONTRACTOR'S LICENSE NO. 249957

Corporate Office  
595 Airport Blvd.  
Watsonville, CA 95076

Tel: (831) 724-1338  
Tel: (800) 728-1480  
Fax: (831) 724-3228

Contractor Bid - 08/18/2022

**Montgomery & Associates**  
**1970 Broadway, Suite 225**  
**Oakland, Ca 94612**  
**Attn. Bill DeBoer P.G., C.Hg.**

Re: Construction of Production well per Plans & Specifications Prepared by Montgomery & Associates for the Scotts Valley Water District.

The following is Maggiora Bros. Drilling, Inc. proposal:

1	Mobilization, Permit, Bonds	LS	1	\$65,000.00	\$65,000.00
2	Sound walls	LS	1	\$75,000.00	\$75,000.00
3	34" Conductor - F & I	LF	55	\$900.00	\$49,500.00
4	Drill 17.5" dia. Pilot Bore	LF	1445	\$157.00	\$226,865.00
5	Geophysical Logs	LS	1	\$8,000.00	\$8,000.00
6	Ream bore hole to size	LF	1365	\$184.00	\$251,160.00
7	Caliper log	LS	1	\$4,000.00	\$4,000.00
8	Sump w/ bullnose	LF	10	\$321.00	\$3,210.00
9	Stainless screens	LF	620	\$325.00	\$201,500.00
10	Stainless blank	LF	773	\$340.00	\$262,820.00
11	2" Gravel tube	LF	423	\$40.00	\$16,920.00
12	F & I Gravel Pack	LF	1030	\$90.00	\$92,700.00
13	F & I Sanitary seal	LF	385	\$95.00	\$36,575.00
14	Well Development	HR	105	\$575.00	\$60,375.00
15	Install/remove test pump	LS	1	\$8,000.00	\$8,000.00
16	Pump development	HR	60	\$475.00	\$28,500.00
17	Step test	LS	1	\$4,250.00	\$4,250.00
18	Constant rate	LS	1	\$15,000.00	\$15,000.00
19	Spinner survey	LS	1	\$8,500.00	\$8,500.00
20	Well video	LS	1	\$3,700.00	\$3,700.00
21	Alignment & Gyro	LS	1	\$6,500.00	\$6,500.00
22	Disinfection and Capping	LS	1	\$3,500.00	\$3,500.00
23	Demob & Cleanup	LS	1	\$120,000.00	\$120,000.00

**Price: includes labor, equipment, material, taxes, & freight: \$1,551,575.00**

# **MAGGIORA BROS. DRILLING, INC.**

**DRILLING CONTRACTORS - PUMP SALES & SERVICE**  
CALIFORNIA CONTRACTOR'S LICENSE NO. 249957

Page 2

1. Customer is to provide access to site and to mark location of well.
2. Drilling Contractor will USA for drilling. We recommend that the customer have a private locator verify utilities at well location if needed.
3. Customer to provide a source of water for drilling at site and provide a level site for the well drilling equipment.
4. Cuttings and drill fluids to be removed from the site.
5. Drilling Contractor will provide a drilling permit from the County. All other permits are excluded.
6. Test hole destruction, if required, will be \$125/ft.
7. Bonding is included in this proposal.
8. Maggiora Bros. Drilling, Inc. current backlog is such that we may not be able to start the project for 4 to 5 months.
9. Proposal is valid for 30 days.
10. Due to the volatility of material & fuel costs in the current market, Maggiora Bros. Drilling, Inc. reserves the right to adjust pricing based on the actual cost of materials at the time of order.

Maggiora Bros. Drilling, Inc is a Union company; Operating Engineers, Local #3, as well as, a Certified Small Business. (34073)

If you have any questions, feel free to contact us!

Sincerely,

**Michael F. Maggiora**

**AGENDA REPORT**

Scotts Valley Water District

**Date:** 09/08/22

**To:** Board of Directors

**Item:** Business 6.2

**Subject:** District Administrative Code

**Reason:** In support of District Core Value – Strive for Efficiencies

**SUMMARY**

**Recommendation:** 1) Adopt Ordinance No 168-22 amending the Administrative Code of the Scotts Valley Water District; and upon its adoption 2) Rescind Ordinance No 167-18 in its entirety.

**Fiscal Impact:** None

**Previous Related Action:** On 04/13/17, the Board adopted Ordinance No 165-17 establishing the and rescinding the Rates, Rules, and Regulations of the Scotts Valley Water District.

On 11/08/18, the Board adopted Ordinance No. 167-18 amending the Administrative Code of the Scotts Valley Water District

**BACKGROUND**

The Administrative Code sets the framework for District’s management and stipulates the rules for its operations.

**DISCUSSION**

Since the Administrative Code was last amended, staff has identified a few sections that could use clarification or minor changes:

Chapter 2 Meetings

Section 2.20.10 Structure

A special meeting may be called at any time ~~by the President or by a majority of the Board~~ in any other circumstances in accordance with the Brown Act.

Section 2.20.20 Agenda Requirements

A special Board meeting requires an agenda containing a brief general description of matters to be considered and must be posted and provided to a local newspaper ~~media outlets~~ 24 hours before the meeting.

An emergency Board Meeting requires a notice be posted and provided to a local newspaper ~~media outlets~~ at least one (1) hour prior to the meeting, except in the case of a dire emergency.

2.30.030 Health and Welfare Benefits

For qualified retired Directors who are Medicare-eligible, the amount of reimbursement will be limited to the District's lowest Medicare supplemental plan group rate for employees determined annually. The District will continue coverage under this program for the surviving spouse of a deceased eligible retired Director.

Chapter 3 Purchasing and Contracting

3.10.060 Procurement for Equipment, Material, and Supplies

A Purchasing Officer will be appointed for the District. The Purchasing Officer is appointed by the General Manager and in the absence of such appointment, the General Manager is the Purchasing Officer. The duties of the Purchasing Officer are combined with those of any other office or position. The Purchasing Officer has the authority to:

- (a) Purchase or contract for equipment, materials and supplies, ~~and services.~~
- (b) Negotiate and recommend execution of contracts for the purchase of equipment, materials and supplies, ~~and services.~~
- (c) Act to procure ~~for the District~~ the needed quality in equipment, materials and supplies, ~~and services.~~ at the lowest expense to the District.

Chapter 4 Description of Service

Chapter 4.10.010 Categories of Service

Bulk – intended for temporary short term uses ~~and transported by tanker trucks~~

The enclosed document is the final version of the Administrative Code with these changes incorporated.

Submitted,

Piret Harmon  
General Manager

Enclosed: Ordinance 168-22  
SVWD Administrative Code

ORDINANCE No. 168-22

ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE SCOTTS VALLEY WATER DISTRICT  
AMENDING THE ADMINISTRATIVE CODE OF THE SCOTTS VALLEY WATER DISTRICT  
AND  
RESCINDING ORDINANCE 167-18 THE ADMINISTRATIVE CODE OF THE SCOTTS VALLEY WATER  
DISTRICT IN ITS ENTIRETY

BE IT ORDAINED:

SECTION 1. ADOPT THE ADMINISTRATIVE CODE OF THE SCOTTS VALLEY WATER DISTRICT AS AMENDED

Administrative Code of the Scotts Valley Water District is hereby amended as set forth in Exhibit A attached hereto.

SECTION 2. RESCIND ORDINANCE 165-17

Upon adoption of this Ordinance, the Administrative Code of the Scotts Valley Water District as established by Ordinance No. 165-17 is hereby rescinded in its entirety and of no force and effect.

SECTION 3. SEVERABILITY

If any section, subsection, paragraph, subparagraph, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; and the Board declares that this Ordinance and each section, subsection, paragraph, subparagraph, sentence, clause and phrase thereof would have been adopted irrespective of the fact that one or more of such section, subsection, paragraph, subparagraph, sentence, clause or phrase be declared invalid or unconstitutional.

SECTION 4. EFFECTIVE DATE

This Ordinance shall be in full force and effect upon adoption.

SECTION 5. POSTING/PUBLICATIONS

This Ordinance, or summary thereof, will be published once in a newspaper of general circulation, printed, published, and circulated in the District within ten (10) days after adoption and shall be posted within said time in three (3) public places within the District.

PASSED AND ADOPTED this 8<sup>th</sup> day of September 2022, by the following roll call vote:

AYES:

NOES:

ABSENT:

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Ruth Stiles, President  
Board of Directors

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



# SCOTTS VALLEY WATER DISTRICT

## **Administrative Code**

*Scotts Valley Water District  
2 Civic Center Drive  
Scotts Valley, California*

**Revised September 8, 2022**

**Ordinance No. 168-22**

**Exhibit A**

TABLE OF CONTENTS

Title 1 GENERAL PROVISIONS ..... 1-1

    Chapter 1.10 Definitions..... 1-1

    Chapter 1.20 Authority..... 1-2

    Chapter 1.30 Ownership and Responsibility ..... 1-3

    Chapter 1.40 General Use of Water System ..... 1-4

    Chapter 1.50 Miscellaneous ..... 1-7

Title 2 BOARD OF DIRECTORS ..... 2-1

    Chapter 2.10 Membership..... 2-1

    Chapter 2.20 Meetings..... 2-3

    Chapter 2.30 Compensation..... 2-6

    Chapter 2.40 Board Conduct ..... 2-7

Title 3 INTERNAL FUNCTIONS OF DISTRICT ..... 3-1

    Chapter 3.10 Purchasing and Contracting..... 3-1

    Chapter 3.20 Public Works Projects ..... 3-3

Title 4 DISTRICT SERVICES: EXISTING CONNECTIONS ..... 4-1

    Chapter 4.10 Description of Service ..... 4-1

    Chapter 4.20 Start and Stop Service..... 4-1

    Chapter 4.30 Metering ..... 4-3

    Chapter 4.40 Billing ..... 4-4

    Chapter 4.50 Water Use Efficiency..... 4-5

Title 5 DISTRICT SERVICES: NEW CONNECTIONS ..... 5-1

    Chapter 5.10 Eligibility for New Water Service ..... 5-1

    Chapter 5.20 Changes to Existing Service Connection ..... 5-2

    Chapter 5.30 Installation of New Service Connection..... 5-3

    Chapter 5.40 Fees for New Service Connections ..... 5-5

    Chapter 5.50 Special Contracts ..... 5-6

    Chapter 5.60 Annexation..... 5-7

ORDINANCE NO. 167-18 ..... 5-8

**Title 1**  
**GENERAL PROVISIONS**

**Chapter 1.10**  
**Definitions**

Account Holder – a person who has assumed financial responsibility for the water service from an existing service connection

Applicant – a person who is in the process of requesting water connection or service

Approved Backflow Protection Device - a device which is specifically approved by the State of California Department of Health Services and is designed to prevent backflow

Backflow - the flow of water or other substances from the customer's plumbing into the public water system

Board of Directors or Board – the elected body of the Scotts Valley Water District, which has such power and authority as granted by the County Water District Act of the California Water Code

Contamination - the impairment of District water quality through the introduction of any foreign substance into the public water system, including water previously delivered to a customer through the District service connection

Cross Connection - an unprotected actual or potential plumbing connection or structural arrangement within the customer side water system and any other source of water, fluids, or gas

Customer – either Owner or Account holder

Customer's Side - all equipment beyond the meter box, including spigots, faucets, valves, etc., that the customer is responsible for receiving, controlling, applying and utilizing water

Curb Stop – a service shutoff valve located just before the meter inside the meter box operated and controlled by the District

District – the Scotts Valley Water District, Santa Cruz County, California

Owner – a person or their authorized agent who has legal rights to a subject property

Parcel – a tract or plot of land

Person – any individual, business, partnership, association, private, public or municipal corporation, and political subdivision or governmental agency

Premises – building(s) or facility(ies) on a parcel which is determined by the District to be a single unit for purposes of receiving, using, and paying for water service

Property – an area under single ownership that consists of one or more parcel(s)

Private Fire Protection –water service and infrastructure for sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection

Regulations – any document including codes, policies, programs, specifications which establishes rules for and governs operations of the District

Service Connection - a pipeline and meter assembly, which conveys water from the main to a served property, that the District is responsible for installing, monitoring, and maintaining

Water Well – any excavation constructed by any method for the purpose of determining the availability of water, extracting water from or injecting water into the ground

### **Chapter 1.20 Authority**

#### **1.20.010 District Designation**

The Scotts Valley Water District was formed on October 9, 1961, pursuant to the provisions of the County Water District Act of the California Water Code.

The General Manager makes the final determination in interpreting the District regulations, subject to the right of appeal to the Board.

#### **1.20.020 Supply and Service Area**

The District provides potable water service in accordance with its regulations to any property within the District and to such areas outside the District as the Board may designate and as approved by the Santa Cruz County Local Agency Formation Commission.

The District provides recycled water service in accordance with its regulations and pursuant to the terms of the Recycled Water Supply Use, Maintenance and Operations Agreement between the District and the City of Scotts Valley.

#### **1.20.030 Water System**

The District furnishes a water system that supplies water to end users. The system is comprised of lands, rights, and above- and below-ground infrastructure that is used for and useful in obtaining, treating, storing, distributing and disposing of water for public and private use.

**1.20.040 Water Wells**

To ensure that the construction, maintenance, abandonment, and destruction of wells is conducted in such a manner that the groundwater will not be contaminated or polluted, and that water obtained from wells will be suitable for beneficial use and will not jeopardize the health, safety or welfare of the District's customers, any person desiring to drill, modify or destroy a water well must comply with the well construction standards as established by the County of Santa Cruz, City of Scotts Valley or any other authorized agency, pursuant to California Water Code Section 13801. The owner is required to obtain a well permit from either the County or the City and present a copy of it to the District prior to commencing any work on the well.

**Chapter 1.30  
Ownership and Responsibility**

**1.30.010 Ownership of Service Connection**

The service connection, including the meter and the meter box, whether located on public or private property, will become and remain the property of the District when installed and put into service, unless otherwise provided. The District reserves the right to repair, replace and maintain the service connection, as well as to remove it when determined necessary. The service connection will be repaired and maintained by the District at its expense.

No person will place or permit the placement of any object in a manner which will interfere with the free access to a meter box or will interfere with the reading of a meter. It is the owner's responsibility to keep the area surrounding the meter box clear of vegetation and debris.

**1.30.020 Responsibility of Water System on Customer's Side**

The District is not responsible for the maintenance of water lines beyond the end of its service connection.

The District is not responsible for any loss or damage associated with customer furnished and installed equipment that may be required for receiving, controlling, applying and utilizing water.

The District is not responsible for damage to property caused by spigots, faucets, valves and other equipment that are open when water is turned on at the meter, either when the water is turned on originally or when turned on after a temporary shutdown.

**1.30.030 Control Valves and Pressure Regulators**

The customer is expected to install a suitable control valve, as close to the meter as practicable, the operation of which controls the entire water supply from the service. The customer is prohibited from operating the curb stop in the meter box.

Where reduced pressure is desired, the customer is responsible for installing and maintaining a pressure regulator and/or relief valve. Where increased pressure is desired, the customer is responsible for installing and maintaining the necessary pumping equipment in accordance with Section 1.40.070.

All customer-provided equipment is to be installed on the customer's side of the meter at their own risk and expense in such a manner as not to put the water system at risk.

#### 1.30.040 Damage to Water System Facilities

The customer is liable for any damage, either intentional or unintentional, to a meter or other equipment or property owned by the District which is caused by any act of the customer or their tenants, agents, employees, contractors, licensees or permittee, including breaking or destruction of locks on or near a meter and any damage to a meter or pipeline that may result from heating or electrical system connection on the customer's premises. The customer will reimburse pertinent expenses to the District for any such damage promptly on presentation of a bill.

#### 1.30.050 Access to Property

The District or its duly authorized agents will at all reasonable times have the right to enter or leave the customer's property for any purpose connected with the service of water to the property.

### **Chapter 1.40 General Use of Water System**

#### 1.40.010 Supply and Quantity

The District will endeavor, so far as is reasonably possible, to deliver a safe continuous supply of water to its customers at a sufficient pressure at the meter.

If, in the opinion of the District, it is doubtful that satisfactory water service can be provided, due to the location or elevation of the premises, a recorded release from liability may be required for any damage or inconvenience that may occur by reason of insufficient or excessive pressure or inadequate volume of water or intermittent supply. The said release must be recorded together with a legal description of the property and serve as a covenant running with the land and, remain in effect for all customers taking water through the service unless and until removed by the District. In addition, the District may require the customer to install and maintain a pressure system on the customer side of the meter to insure minimum pressure to the residence.

#### 1.40.020 Interruptions in Service

The District will make all reasonable efforts to prevent interruption to service and when such interruptions occur, will endeavor to re-establish service with the shortest possible delay consistent with the safety of the District's customers and the general public.

Whenever the District finds it necessary to schedule an interruption to its service, an advanced notice will be given to all affected customers within a reasonable amount of time. Scheduled interruption will be made at such hours as will be least inconvenient to customers and consistent with reasonable utility operations.

Where an interruption of service affects the service to any public fire protection device, the District will promptly notify the fire protection agency of both the interruption and restoration of normal service.

#### 1.40.030 Apportionment of Supply during Shortages

During times of threatened or actual water shortage, the District will apportion its available supply among its customers as directed by the appropriate state and local authorities. In the absence of direction from such authorities, the District will apportion the supply in the manner that appears most equitable under prevailing circumstances and with due regard to public health and safety.

#### 1.40.040 Resale of Water

Except by special agreement with the District, no customer will resell water received from the District other than water that is altered for commercial resale, nor will such water be delivered to a property other than that specified at the time of requesting the new service connection. When property provided with the service connection is subdivided, the service connection is considered as belonging to the parcel which it directly enters.

#### 1.40.050 Theft of Water

Theft of water, including theft through unauthorized connections, is a serious offense and can result in significant fines as well as criminal or civil prosecution. Each customer receiving service agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages associated with the violation of this code.

#### 1.40.060 Fire Hydrant Use

The fire protection agency having jurisdiction over the property will set the fire hydrant requirements. No person(s), other than those designated and authorized by the fire protection agency, or the District, is allowed to open any fire hydrant, attempt to draw water from it or in any manner damage or tamper with it. Any violation of this regulation will be prosecuted

according to law. Tampering with any fire hydrant or the unauthorized use of water from a fire hydrant constitutes a misdemeanor, punishable by law. Other parties desiring to use fire hydrants for any purpose must first obtain written permission and must operate the hydrant in accordance with instructions from the District.

Only the District or its authorized agents will access a fire hydrant for the purpose of performing a flow test. Upon a customer's request, the District will perform the necessary flow test, provided it will not cause potential property damage and that the Regional Water Quality Control Board's discharge requirements can be met. The customer will be required to pay a fee for the hydrant flow test.

#### 1.40.070 Cross Connection Control and Backflow Prevention

California Code of Regulations, Title 17 sets rules and regulations governing cross connections. It provides that the water purveyor has primary responsibility to prevent water from unapproved sources, or any substance, from entering the public water system. The District is a water purveyor within the meaning of Title 17.

The District sets requirements for the protection of the District's water distribution system from backflow. New water service connections must install, and existing water connections modified to conform to these requirements. The circumstances, conditions, and instances when the installation of a backflow prevention device is required are specified in the written regulations adopted by the Board.

Water service to any premises may be discontinued by the District if a required backflow protection device has not been installed, inspected, tested, and maintained; or, if it is defective or has been removed or bypassed. Prior to discontinuance of service, the District will provide the customer with written notice describing the conditions or defects that must be corrected, and the date on or after which the service will be discontinued, should the conditions or defects not be corrected.

Water service may be discontinued immediately and without notice to the customer if the District determines that the water supply is being contaminated or is in immediate danger of contamination from conditions that exist at the property. The District will make a reasonable attempt to notify the customer of the discontinuance of the water service. However, failure to provide such notice will not prevent the discontinuance of the service.

Water service that has been discontinued will not be resumed until any required backflow protection device is properly installed or repaired, or until conditions on the premises causing the contamination, or danger of contamination, have been abated or corrected to the satisfaction of the District.

It is the responsibility of the customer to furnish, install and maintain the device in good working condition. Backflow protection devices are the sole property of the owner and responsibility of the customer. The customer is responsible for having such devices installed, periodically inspected and tested by a person authorized by the District. Devices must be tested at least once per year, or at the minimum time interval specified by Title 17 whichever is more frequent. The District will notify the customer when inspections and tests are required and the results of inspections and tests must be reported to the District when completed. The cost of such inspections and test is the sole responsibility of the customer. If the customer fails to have any of the inspections or tests made or fails to make the records of such inspections or tests available, the District has the right to have the device inspected or tested and charge the customer for the direct cost, plus administrative overhead.

### **Chapter 1.50 Miscellaneous**

#### **1.50.010 Severability**

If any section, subsection, paragraph, subparagraph, sentence, clause or phrase of this code is for any reason found to be invalid or unconstitutional, such validity or unconstitutionality does not affect the validity or constitutionality of the remaining portions of this code. The Board declares that this code and each section, subsection, paragraph, subparagraph, sentence, clause and phrase thereof would have been adopted irrespective of the fact that one or more of such section, subsection, paragraph, subparagraph, sentence, clause or phrase be declared invalid or unconstitutional.

#### **1.50.020 Immediate Effect**

This code is in full force and effect upon adoption and is to be posted once in a newspaper of general circulation, printed, published, and circulated in the District within 15 days after adoption and is to be posted within said time in three (3) public places.

#### **1.50.030 Violation a Misdemeanor: Punishment**

After the publication or posting of the code, it is a misdemeanor for any person to use or apply water received from the District contrary to or in violation of the restriction or prohibition established herein, until the code has been repealed or the emergency or threatened emergency has ceased, and upon conviction thereof, that person will be punished by imprisonment in the County jail for not more than 30 days and/or by fine of not more than \$600.00.

#### **1.50.040 Claims against District**

All claims against Scotts Valley Water District for money or damages, including but not limited to any claims for refunds or reimbursements of fees or assessments not otherwise governed by the

Government Claims Act, California Government Code Section 900, or another state law, will be presented within the time, and in the manner, prescribed by Part 3 of Division 3.6 of Title 1 of the California Government Code Section 900, for the claims to which that Part applies by its own terms, as those provisions now exist or will hereafter be amended, and as further provided by this section.

All claims will be made in writing and verified by the claimant or by his or her guardian, conservator, executor or administrator. In addition, all claims must contain the information required by California Government Code Section 910.

Proposed

**Title 2**  
**BOARD OF DIRECTORS**

**Chapter 2.10**  
**Membership**

2.10.010 Term of Office

The District will have a Board of five (5) Directors each of whom, whether elected or appointed, will be a voter of the District in accordance with California Water Code Section 30500.

The term of office of each Director, other than a Director first elected or appointed to fill an unexpired term, will be four (4) years. Each Director elected or appointed will hold office until his or her successor qualifies.

2.10.020 Vacancies

All vacancies occurring on the Board will be filled pursuant to California Government Code 1780.

2.10.030 Oath

Before any Director or officer begins the duties of his or her office, he/she will take and subscribe to the oath or affirmation as set forth in the California Constitution. Unless otherwise provided, the oath may be taken before any officer authorized to administer oaths. The oath will be filed in accordance with California Government Code Section 1363. No other oath, declaration, or test will be required as a qualification for any public office or employment. No compensation or reimbursement for expenses incurred will be paid to any Director or officer until he/she has taken and subscribed to the required oath or affirmation.

2.10.040 Officers

The Board appoints a President by majority vote. The President, subject to the control of the Board, exercises general supervision, direction and control of the meetings. The President presides at all Board meetings. The President makes appointments to all Board Committees. The President has such other powers and duties as may be prescribed by the Board.

The Board appoints a Vice President by majority vote. In the absence or disability of the President, the Vice President performs all the duties of the President and, when so acting, has all the powers of, and is subject to all the restrictions upon, the President. The Vice President has such other powers and performs such other duties as from time to time may be prescribed by the Board.

The Board hereby designates the General Manager as the Secretary of the Board. The Secretary keeps or causes to be kept a book of minutes at the principal office or such other place as the Board may order, of all meetings with the time and place of holding, whether regular or special,

and if special, how authorized, the notice given, the names of those present, the Directors present and the proceedings thereof. The Secretary gives notice of all the meetings required by law and has such other powers and performs such other duties as may be prescribed by the Board. The Secretary of the Board may delegate the assigned duties to a District employee.

The Board hereby designates the Finance Manager as the Treasurer of the Board. The Treasurer installs and maintains a system of auditing and accounting that will accurately and completely show the financial condition of the District.

The Board retains an independent Auditor who conducts an annual audit of the District's books, records and financial affairs. The Auditor meets with the Board at the beginning and conclusion of the audit each year to review the audit results and recommendations.

The Board sees that the District exercises responsible financial management.

#### 2.10.050 General Manager

The Board appoints a General Manager. The General Manager has full charge and control of the maintenance, operation and construction of the water system; full power and authority to employ and discharge all employees at discretion (subject to applicable laws); prescribes the duties of employees and fixes and sets the compensation of employees subject to approval by the Board. The General Manager reports to the Board and performs other duties imposed by the Board in accordance with District regulations.

Generally, the Board sets District policies and the General Manager is responsible for execution or implementation of said policies. The Board provides policy direction on matters within the authority of the Board and instructions to the General Manager during duly convened Board and Committee meetings.

The General Manager, Secretary, Treasurer and Auditor each receive compensation determined by the Board.

#### 2.10.060 Limitation on Who May Serve

A Director will not be the General Manager, Secretary, Treasurer or Auditor. The same person may serve as General Manager and Secretary, Secretary and Auditor or Secretary and Treasurer.

#### 2.10.070 Bonds

The General Manager, Secretary, Treasurer-will each give a bond to the District conditioned for the faithful performance of their duties at the District's expense.

## Chapter 2.20 Meetings

### 2.20.010 Structure

The Board and each Director will fully comply with the provisions of the state's open meeting law for public agencies, the Ralph M. Brown Act (the Brown Act).

A meeting is defined as any gathering of a quorum of the Board to discuss or transact business under Board jurisdiction; serial meetings are prohibited.

The Board establishes the time and place of its regular meetings by resolution. If a regular meeting falls on a holiday, it will be held on the next business day. The Board or the President may, from time to time, change the date and time of a regular meeting to address a schedule conflict.

A special meeting may be called at any time in any other circumstances in accordance with the Brown Act.

An emergency meeting may be called under an emergency situation in accordance with the procedures set forth in the Brown Act.

Standing Committees composed of two Directors may be established to review, study, and discuss proposals, reports, and issues in a specific area of expertise; to advise and recommend actions to the Board on these topics; and to provide feedback to the General Manager and staff.

Members of the public may comment on agenda items before or during consideration by the Board, subject to District regulations and the President's right to establish order and control of the meeting. Time must be set aside for the public to comment on any other matters under Board jurisdiction.

If a Board meeting has been recorded, the public may listen to or obtain a copy of the recording at cost.

All votes, except for those cast in permissible closed session must be cast in public. No secret ballots, whether preliminary or final, are permitted.

At an open session following a closed session, the Board must report on final action taken in closed session under specified circumstances.

The District will comply with the California Public Records Act.

**2.20.020 Agenda Requirements**

Regular Board and Committee meeting agendas must specify the time and location, include a brief general description of each matter to be considered and must be posted at least 72 hours prior to the meeting and furnished to anyone requesting it.

A special Board meeting requires an agenda containing a brief general description of matters to be considered and must be posted and provided to a local newspaper 24 hours before the meeting.

An emergency Board Meeting requires a notice be posted and provided to a local newspaper at least one (1) hour prior to the meeting, except in the case of a dire emergency.

Special circumstances (dire emergency, matter too late for agenda, continued matter) permit the Board to take action on items of business not appearing on the posted agenda. Prior to discussing an item not appearing on the agenda, the Board will first publicly identify the item. Exceptions to the agenda requirement are as follows:

(a) Upon a determination by a majority vote of the Board that an emergency situation exists, as defined in the Brown Act.

(b) Upon a determination by at least two-thirds vote of the Board present at the meeting, or if less than two-thirds of the Board is present, a unanimous vote of the Directors present, that there is a need to take immediate action and that the need for action came to the attention of the District after the agenda was posted.

(c) The item was posted for a prior meeting of the legislative body occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

**2.20.030 Closed Session Agenda**

All items to be considered in closed session must be described in the agenda for the meeting. A model format for closed session agenda items appears in the Brown Act. Prior to each closed session, the Board must orally announce the subject matter of the closed session. If final action is taken in closed session, the Board generally must report the action at the conclusion of the closed session.

Matters for closed session include:

(a) Consideration of an appointment, employment, performance, discipline, or dismissal of an employee. With respect to complaints or charges against an employee brought

by another person or employee, the employee must be notified at least 24 hours in advance of his or her right to have the hearing conducted in public.

(b) With law enforcement or security personnel concerning the security of public buildings and services.

(c) With District's legal counsel concerning pending litigation, initiating litigation, or situations involving a significant exposure to litigation.

(d) With District's negotiator concerning labor negotiations with represented and unrepresented employees. Issues related to budgets and available funds may be considered in closed session, although final decisions concerning salaries of unrepresented employees must be made in public.

(e) With District's negotiator concerning price and terms of payment in connection with the purchase, sale, exchange, or lease of real property.

#### 2.20.040 Conduct

A person who addresses the Board may not make personal, impertinent, slanderous, or profane remarks to a Director, staff, or general public. Any person who makes such remarks: uses loud, threatening, personal, or abusive language; or engages in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of any meeting may, at the discretion of the President, be asked to leave the meeting.

In the event that any meeting is willfully interrupted by any person or persons, disrupting the orderly progress of the meeting, and order cannot be restored by the removal of individuals disrupting the meeting, the President or a majority of the Board may order the room cleared before continuing the session. Representatives of the press or other news media, except those participating in the disturbance, will be allowed to attend any session held pursuant to this section. Nothing in this section will prohibit the President at his or her discretion from establishing a procedure for readmitting a person.

#### 2.20.050 Actions

The Board acts only by ordinance, resolution, or motion. A majority of the Board constitutes a quorum for the transaction of business. No ordinance, resolution, or motion is passed or becomes effective without the affirmative votes of a majority of the Directors. When deciding whether an ordinance, resolution, or motion is appropriate, the following considerations should be made:

(a) A motion is used to take action not requiring an ordinance or resolution; the action is not intended as local law, is non-penal in nature, and is used when no formal document reflecting

Board action is necessary. For example, a motion is appropriate to approve minutes, accept a report, provide direction to staff, approve a contract, etc.

(b) A resolution is adopted when dealing with a temporary issue or special matter that requires "finding of fact." Generally, a resolution is appropriate for rate and fee setting, land use decisions, determination of an administrative appeal, approval of environmental document such as an EIR, or Negative Declaration.

(c) An ordinance is adopted when establishing a permanent rule of the District, absent a statutory or contractual requirement to the contrary. An ordinance has the same effect as a statute or law within the boundaries of the District. It will be in full force and effect immediately upon adoption and will be published in accordance with Water Code Section 31027.

A roll call vote is required when adopting an ordinance or resolution. The ayes and noes will be entered on the ordinance or resolution.

Resolution and ordinances are signed by the President and attested by the Secretary of the Board.

#### 2.20.060 Contract Execution

The President signs all contracts and the Secretary countersigns all contracts on behalf of the District. Notwithstanding the foregoing, the Board hereby authorizes the General Manager or his or her designee to execute contracts on behalf of the District, and no countersignature is required.

### **Chapter 2.30 Compensation**

#### 2.30.010 Compensation

Directors are compensated for each meeting of the Board in an amount consistent with limits and provisions contained in California Water Code Section 20200 and 20202 and in accordance with District regulations.

#### 2.30.020 Reimbursement of Expenses

Directors may be reimbursed for actual expenses incurred in connection with carrying out their official duties in accordance with District regulations.

Expense reports must be submitted within a reasonable time, but not more than thirty (30) days, after incurring an expense. Late expense reports may be referred to the Board for consideration.

A Director's expense for attending a conference, training event, or other similar function will not be reimbursed if it occurs after the Director has announced his or her pending resignation, or if it occurs after an election in which it has been determined that the Director will not retain his or her seat on the Board. A Director will not be reimbursed for attending a conference, training event, or other similar function when it is apparent that there is no significant benefit to the District.

Directors will maintain written records in sufficient detail to reflect accurately and completely all transactions and expenditures made by them on the District's behalf.

#### 2.30.030 Health and Welfare Benefits

The District provides all current Directors and their dependents reimbursement of health care premiums in an amount not to exceed the District's lowest group rate for employees determined annually.

Group dental and vision coverage is provided to all current Directors and their dependents.

Group life insurance is provided to current Directors in a benefit amount equal to \$10,000, subject to any age limitations imposed by the insurance provider. Insurance coverage will be effective as of the date a Director is seated on the Board.

A qualified retired Director is one who is entitled to benefits as provided in California Government Code Section 53201. The District provides qualified retired Directors and their spouses with reimbursement of health care premiums in an amount not to exceed the District's lowest group rate for employees determined annually.

For qualified retired Directors who are Medicare-eligible, the amount of reimbursement will be limited to the District's lowest Medicare supplemental plan group rate for employees determined annually. The District will continue coverage under this program for the surviving spouse of a deceased eligible retired Director.

Group dental and vision coverage is provided to qualified retired Directors and their spouses.

Group life insurance is not provided to qualified retired Directors.

### **Chapter 2.40 Board Conduct**

#### 2.40.010 Ethics

The District is committed to promoting ethical behavior in the conduct of its business. The proper operation of the District requires that Directors remain objective and responsive to the needs of

the public they serve, make decisions within the proper channels of governmental structure, and not use public office for personal gain. To further these objectives, certain ethical principles govern the conduct of each Director. Ethics, integrity, and fidelity are critical elements of Directors' conduct in achievement of the District's mission.

Directors will uphold the Constitution of the United States and the Constitution of the State of California and carry out the laws of the nation, state, and local governmental agencies; comply with applicable laws regulating their conduct, including conflict of interest and financial disclosure laws; and work in cooperation with other public agencies, unless they are legally prohibited from doing so.

Directors will promote a fair and open public process.

Directors will promote diversity and equality in personnel matters and in contracting, consistent with state and federal laws.

Directors will not discriminate against or harass any person on the basis of any and all protected categories included but not limited to race, religion, color, creed, age, marital status, national origin, ancestry, gender, sexual orientation, medical condition, or disability.

Directors will not grant any special consideration, treatment, or advantage to any person or group beyond that available to every other person or group in similar circumstances.

Directors will exercise responsible financial management in the conduct of District business.

Directors will protect and properly use any District property within their control, including any information recorded on paper or in electronic form.

Directors will not ask or require a District employee to perform services for the personal benefit or profit of a Director or employee.

Gifts of public funds are not allowed. The District will have no power to give or pledge credit to a person or entity, public or private, for the payment of the liabilities of such person or entity, public or private; nor will it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any person or entity, public or private, except as expressly allowed by law.

Directors will safeguard confidential information. A Director who willfully and knowingly discloses for pecuniary gain confidential information received in the course of their official duties may be guilty of conflict of interest.

Directors will not disclose information that legally qualifies as confidential to unauthorized persons without approval of the Board. This includes information that has been received for, or during, a closed session Board meeting, or is protected from disclosure under the attorney/client or other evidentiary privilege.

Notwithstanding the foregoing, any of the following will not be a violation of this section:

(a) Making a confidential inquiry or complaint to a District Attorney or Grand Jury concerning a perceived violation of law, including disclosing facts to a District Attorney or Grand Jury that are necessary to establish the illegality of an action taken by the Board or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by the Board.

(b) Expressing an opinion concerning the propriety or legality of actions taken by the Board in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(c) Disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information, however, a Director will first bring the matter to the attention of either the President or the full Board, in a lawful and appropriate manner, to provide an opportunity for the Board to cure an alleged violation. Nothing in this section will be construed to prohibit disclosures under the whistleblower statutes contained in California Labor Code Section 1102.5 or California Government Code Section 53296.

#### 2.40.020 Conflict of Interest

Directors will avoid both actual and perceived conflicts of interest.

A Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect on the Director, a member of the Director's immediate family, or the Director's qualifying business or real property interests in California Government Code Section 87103.

A Director will not have a financial interest in a contract with the District or be a purchaser at a District sale or a vendor at a District purchase, unless the Director's participation was authorized as a "remote interest" under California Government Code Section 1090-1091. The qualifying business or real property interests include both "direct" and "indirect" interests.

A Director will report all gifts, honoraria, campaign contributions, income, and financial information as required under the District's Conflict of Interest Code and the provisions of the Political Reform Act.

A Director will not participate in the discussion, deliberation, or vote on a matter before the Board, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the California Government Code Section 8100 relating to financial conflicts of interest.

If a Director believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed:

(a) If the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the District's General Manager of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest.

(b) If it is not possible for the Director to discuss the potential conflict with the General Manager before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest.

(c) Upon a determination that there is a disqualifying conflict of interest, the Director will not participate in the discussion, deliberation or vote on the matter for which a conflict of interests exist, which will be so noted in the Board minutes, and leave the room until after the discussion, vote and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters, except that the Director may speak on the issue during the time that the general public speaks on the issue.

A Director will not recommend the employment of a relative to the District. In addition, a Director will not recommend the employment of a relative to any person known by the Director to be bidding for or negotiating a contract with the District.

A Director will not solicit political funds or contributions of in-kind services at District facilities.

A Director will not solicit or direct a political contribution or in-kind services from District officers, employees, consultants or contractors, or from vendors or consultants that have a material financial interest in a contract or other matter while that matter is pending before the District. A Director will not use the District's seal, trademark, stationary, or other indicia of the District's identity or facsimile thereof in any solicitation for political contributions.

Except as provided in California Government Code, a Director will not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or

inimical to his or her duties as a Director. A District employee may not be sworn into office as an elected or appointed member of the same District unless he or she resigns as an employee.

All Directors will receive two hours of training in general ethics principles and ethics laws relevant to public service within one year of election or appointment to the Board and at least once every two years thereafter. The District will maintain a record of the training.

A perceived violation of the District's ethics policy by a Director should be referred to the Board President for investigation and consideration of any appropriate action warranted. In the case of a perceived violation by the President, the matter should be referred to the Vice President. A violation of this policy may be addressed by remedies available by law, including but not limited to: adopting a resolution expressing disapproval of the conduct of the Director who has violated this policy, injunctive relief, or referral of the violation to the District Attorney and/or the Grand Jury.

The Board and the General Manager are responsible for monitoring and enforcing compliance with the District's regulations. Directors will disclose to the General Manager, to the extent not expressly prohibited by law, improper activities within their knowledge. Directors will not interfere with the General Manager's responsibilities in identifying, investigating, and correcting improper activities unless the Board determines the General Manager is not properly carrying out these responsibilities. A Director will not directly or indirectly use or attempt to use the authority or influence of his or her position to intimidate, threaten, coerce, command, or influence any other person for the purpose of preventing such person from acting in good faith to bring to the attention of the General Manager or the Board any information that, if true, would constitute any of the following: a work-related violation by a Director or District employee of any law or regulation; gross waste of District funds; gross abuse of authority; a specified and substantial danger to public health or safety due to an act or omission of a District official or employee; use of a District office or position or of District resources for personal gain; or a conflict of interest of a District Director or District employee.

A Director will not include false or misleading information in a candidate's statement for a general District election filed pursuant to California Elections Code Section 13307.

**Title 3**  
**INTERNAL FUNCTIONS OF DISTRICT**

**Chapter 3.10**  
**Purchasing and Contracting**

**3.10.010 Contracting for Professional Services \$25,000 or Less**

The General Manager may, by negotiated contract or purchase order, enter into contracts for professional services in the amount of \$25,000 or less provided the work to be performed is included within the District's work plan and funds are available within the current approved budget for such work.

**3.10.020 Contracting for Professional Services \$25,000-\$100,000**

The General Manager, after seeking written proposals, may enter into contracts for professional services of more than \$25,000 and less than \$100,000 provided the work to be performed is included within the District's work plan and funds are available within the current approved budget for such work.

In the event of awarding the contract of more than \$25,000 and less than \$100,000, the General Manager will inform the Board of such contract as soon as practicable.

**3.10.030 Contracting for Professional Services \$100,000+**

The General Manager will seek written proposals for professional services of more than \$100,000. Such contracts will be approved by the Board.

**3.10.040 Selection of Architectural, Landscape Architectural, Engineering, Environmental Services, Land Surveying, Construction Management Services**

Notwithstanding any other provision of law or this Chapter, selection for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms will be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Any individual or firm proposing to provide construction project management services will provide evidence that the individual or firm and the personnel carrying out on-site responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

### 3.10.050 Exceptions

Nothing contained in this Chapter will be construed to prohibit the District from renewing contracts, extending contracts, or expanding the scope of work of existing contracts where it is determined by the General Manager or the Board that such renewal, extension, or expansion is in the District's best interest. The District may, additionally, approve contracts for professional services on an emergency basis or where, due to the experience of the professional, contracting for the services without a competitive process would be in the best interest of the District.

The District may, in its discretion, use the proposals for professional services or independent contractors which were obtained through a bid, proposal, or solicitation process conducted by another public agency.

### 3.10.060 Procurement for Equipment, Material, and Supplies

A Purchasing Officer will be appointed for the District. The Purchasing Officer is appointed by the General Manager and in the absence of such appointment, the General Manager is the Purchasing Officer. The duties of the Purchasing Officer are combined with those of any other office or position. The Purchasing Officer has the authority to:

- (a) Purchase or contract for equipment, materials and supplies.
- (b) Negotiate and recommend execution of contracts for the purchase of equipment, materials and supplies.
- (c) Act to procure the needed quality in equipment, materials and supplies at the lowest expense to the District.
- (d) Recommend the transfer of surplus or unused supplies and equipment between divisions of the District as needed and the sale of all supplies and equipment which cannot be used or have become unsuitable for District use.

The Purchasing Officer may, by negotiated contract or purchase order, enter into contracts for equipment, materials and supplies in the amount of \$25,000 or less, provided the items to be purchased are included within the District's work plan and funds are available within the current approved budget for such items.

The Purchasing Officer, after seeking written proposals, may enter into contracts for equipment, materials and supplies in the amount of more than \$25,000 and less than \$100,000 provided the items to be purchased are included within the District's work plan and funds are available within the current approved budget for such items.

In the event of awarding the contract of more than \$25,000 and less than \$100,000, the General Manager will inform the Board of such contract as soon as practicable.

The Purchasing Officer will seek written proposals for contractors for equipment, materials and supplies of more than \$100,000. Such contracts will be approved by the Board.

The Purchasing Officer is not required to go through a competitive solicitation process if the equipment, materials and supplies have been competitively priced by another public agency, such as through State procurement arrangements.

### **Chapter 3.20 Public Works Projects**

#### **3.20.010 Prevailing Wages**

Unless exempt, all District public works contracts awarded are subject to prevailing wage requirements in accordance with California Labor Code Section 1720. When prevailing wages are required, the District will affirmatively state in the call for bids or the contract documents that the work to be covered by the bid or contract is a "public works."

#### **3.20.020 Projects \$25,000 or Less**

Public works projects of \$25,000 or less may be performed by the employees of the District, by negotiated contract, by purchase order or by the informal bid procedure set forth below, provided the work to be performed is included within the District's work plan and funds are available within the current approved budget for such work. A bid bond, performance bond and payment bond are not required, but a warranty bond may be required.

#### **3.20.030 Projects \$25,000-\$100,000**

Public works projects of more than \$25,000 and less than \$100,000 are, except as otherwise provided in this section, let to contract by the following request for proposal procedure:

(a) Unless the product or service is proprietary, the District will solicit proposals from at least three qualified contractors and may award the contract to the contractor with the best value proposal.

(b) The Board hereby delegates the authority to receive bids and award informal contracts to the General Manager or his or her designee, provided the work to be performed is included within the District's work plan and funds are available within the District's current approved budget for such work. The General Manager will inform the Board of such contract as soon as practicable.

(c) If all bids received are in excess of \$100,000, the District may award the contract to the lowest responsible bidder if it determines the cost estimate is reasonable.

(d) A bid bond, performance bond and payment bond are required in connection with the informal bid process. A warranty bond may be required.

#### 3.20.040 Competitive Bidding for Projects \$100,000 +

It will be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

Public works projects of more than \$100,000 are, except as otherwise provided in this section, let to contract by the following formal bidding procedure:

(a) The Notice Inviting Bids will state the time and place for receiving and opening of sealed bids and accurately describe the project. The notice will be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the District. The notice may be sent to construction trade journals serving the vicinity of the District. In addition to notice required by this section, the District may give such other notice as it deems proper.

(b) Sealed bids will be submitted by bidders prior to the deadline established for opening bids.

The Board will award the contract to the lowest responsible bidder after receiving bids through the formal bid process.

A bid bond, performance bond, and payment bond are required. A warranty bond may be required. All bids for construction work will be presented under sealed cover and will be accompanied by one of the following forms of bidder's security: cash; a cashier's check made payable to the District; a certified check made payable to the District; or a bidder's bond executed by an admitted surety insurer, made payable to the District. Upon an award to the lowest bidder, the security of an unsuccessful bidder will be returned in a reasonable period of time. In no event will that security be held by the District beyond 60 days from the time the award is made.

#### 3.20.050 Emergency Bid Procedures

In the case of an emergency, the General Manager may take any immediate action required by that emergency and procure the necessary equipment, services, and supplies for those purposes, without giving notice or soliciting bids for the work. In the event the General Manager enters into

a contract for emergency work, the General Manager will report the same to the Board at its next regularly scheduled meeting.

### 3.20.060 Specifications of Contractor's License Classification in Notice Inviting Bids

The District will specify the classification of the contractor's license which a contractor must possess at the time a contract is awarded and through completion of the work. The specification will be included in any plans prepared for a public project and in any Notice Inviting Bids. This requirement will apply only with respect to contractors who contract directly with the District. A contractor who is not awarded a public contract because of the failure of the District to comply with this requirement will not receive damages for the loss of the contract.

### 3.20.070 Specifications by Brand or Trade Name or "Equal"

Neither the District, nor any District officer or person charged with the letting of contracts for the construction, alteration, or repair of public works, will draft or cause to be drafted specifications for bids in connection with the construction, alteration, or repair of public works in such a manner as to limit the bidding, directly or indirectly, to any one specific concern. When a product is designated to match others in use on a particular public improvement either completed, or in the course of completion, calling for a designated material, product, item, or service by specific brand or trade name, unless the specification lists at least two brands or trade names of comparable quality or utility and is followed by the words "or equal."

Specifications will provide a period of time prior to or after the award of the contract for submission of data substantiating a request for a substitution of "an equal" item. If no time period is specified, data may be submitted any time within 35 days after the award of the contract. The District reserves the right to determine whether or not any substitute is "equal".

### 3.20.080 Exceptions

The District may make a finding that is described in the Notice Inviting Bids or request for proposals that a particular material, product, item, or service is designated by specific brand or trade name for any of the following purposes in order:

- (a) That a field test or experiment may be made to determine the product's suitability for future use.
- (b) To match other products in use on a particular public improvement either completed or in the course of completion.
- (c) To obtain a necessary item that is only available from one source.

(d) To respond to an emergency declared by a local agency, but only if the declaration is approved by an at least four-fifths vote of the Board issuing the invitation for bid or request for proposals.

(e) To respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the authority issuing the Notice Inviting Bids or request for proposals.

#### 3.20.090 Subletting and Subcontracting Fair Practices Act

The specifications for the work or improvement will provide that any person making a bid or offer to perform the work, will, in his or her bid or offer, set forth the name and the location of the place of business of each subcontractor who will perform work or labor or render service in an amount in excess of one-half of 1 percent of the prime contractor's total bid. The District may not substitute any person as subcontractor in place of the subcontractor listed in the original bid, except as allowed under the California Public Contract Code Section 4100.

#### 3.20.100 Award to Lowest Responsible Bidder

If a contract is awarded, it will be awarded to the lowest responsible bidder. The lowest responsible bidder is the lowest bidder whose offer best responds in quality, fitness and capacity to the particular requirements of the work. Bids from the lowest responsible bidder may be rejected in the following circumstances:

(a) The awarding authority may reject all bids if the acceptance of the lowest responsible bid is deemed not to be in the District's best interests.

(b) If the lowest responsible bidder refuses to execute the contract, the awarding authority may award the contract to the next lowest bidder if the awarding authority decides that the action is in the District's best interests.

(c) The contract may be awarded to the next lowest responsible bidder if the lowest bidder is nonresponsive.

#### 3.20.110 Additive or Deductive Bid Items; Identity of Contractors

The District may require a bid for a public works contract to include prices for items that may be added to, or deducted from, the scope of work in the contract for which the bid is being submitted. Whenever additive or deductive items are included in a bid, the bid solicitation will specify which one of the following methods will be used to determine the lowest bid. In the absence of a specification:

(a) The lowest bid will be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items.

(b) The lowest bid will be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid price.

(c) The lowest bid will be the lowest total of the bid prices on the base contract and those additive or deductive items that when taken in order from a specifically identified list of those items in the solicitation, and added to, or subtracted from, the base contract, are less than, or equal to, a funding amount publicly disclosed by the local agency before the first bid is opened.

(d) The lowest bid will be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the public entity before the ranking of all bidders from lowest to highest has been determined.

This section does not preclude the District from adding to or deducting from the contract any of the additive or deductive items after the lowest responsible bidder has been determined.

#### 3.20.120 Rejections of Bids

In its discretion, the Board may reject any bids presented. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the District will have the following options: revising the project, abandoning the project or re-advertising for bids.

#### 3.20.130 No Bids

If no bids are received, the project may be performed by District staff or negotiated contract without further complying with bidding requirements.

#### 3.20.140 Bidder's Relief from Bids

A bidder will not be relieved of the bid unless by consent of the Board, nor will any change be made in the bid because of mistake. The bidder may bring an action against the public entity in a court of competent jurisdiction in the county in which the bids were opened for the recovery of the amount forfeited, without interest or costs. If the plaintiff fails to recover judgment, the plaintiff will pay all costs incurred by the public entity in the suit, including a reasonable attorney's fee to be fixed by the court. If an action in superior court is filed, the bidder will establish to the satisfaction of the court that: a mistake was made; he or she gave the public entity written notice within five (5) working days (excluding Saturdays, Sundays, and state holidays) after the opening of the bids of the mistake specifying in the notice in detail how the mistake occurred; the mistake made the bid materially different than he or she intended it to be; the mistake was made in filling

out the bid and not due to error in judgment or to carelessness in inspecting the site of the work or in reading the plans or specifications.

A bidder who claims a mistake or who forfeits his or her bid security will be prohibited from participating in further bidding on the project on which the mistake was claimed or security forfeited.

If the public entity deems it is for its best interest, it may, on refusal or failure of the successful bidder to execute the contract, award the contract to the second lowest bidder. If the second lowest bidder fails or refuses to execute the contract, the public entity may award the contract to the third lowest bidder. On the failure or refusal of any bidder to whom a contract is awarded to execute the contract, the bidder's security will be forfeited.

#### 3.20.150 Contracting by Electronic Transmission

The District may enter into and make payment on contracts by way of electronic transmission, including but not limited to the issuance of solicitation documents and the receipt of responses thereto, provided that it adopts methods and procedures set forth in Public Contract Code.

#### 3.20.160 Payment, Performance, and Warranty Bonds

A direct contractor (excluding a design professional) that is awarded a public works contract involving an expenditure in excess of \$25,000 will, before commencement of work, provide the District an approved payment bond and a performance bond. Each bond will be in a sum not less than 100 percent of the total amount payable by the terms of the contract. The District will state in its call for bids that a payment bond and a performance bond are required for a public works contract involving expenditure in excess of \$25,000.

The contract documents may require that the contractor provide an appropriate warranty bond after substantial completion of the project.

#### 3.20.170 Insurance

Prior to the commencement of the work, every contractor (and subcontractor) will provide insurance as set forth in the contract documents or as required by law, including but not limited to Workers Compensation Insurance and General Liability Insurance.

#### 3.20.180 General Manager's Authority

The General Manager or his/her approved designee is authorized to manage the construction contract and approve change orders, provided such funds are available within the approved construction budget. Any change orders exceeding the approved construction budget require the approval of the Board.

**3.20.190 Release of Retention**

The District will release retention proceeds withheld from an original contractor within 60 days after the completion of the project or within the time limits set forth in California Public Contract Code. In the event of a dispute between the public entity and the original contractor, the public entity may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. In the event that retention payments are not made within the time periods, the District will be subject to a charge of 2 percent per month on the improperly withheld amount, in lieu of any interest otherwise due. Additionally, in any action for the collection of funds wrongfully withheld, the prevailing party will be entitled to attorney's fees and costs.

**3.20.200 Waiver of Public Works Bidding Process**

The General Manager has the ability to waive the requirements of competitive bidding set forth in this chapter if the District utilizes firms providing construction procurement services that are competitively bid or if the District uses public works contractors which were obtained through a bid process conducted by another public agency.

**Title 4**  
**DISTRICT SERVICES: EXISTING CONNECTIONS**

**Chapter 4.10**  
**Description of Service**

4.10.010 Categories of Service

All services provided by the District are classified into the following categories:

Domestic – intended for residential and commercial, primarily indoor, uses for public health and safety; may include landscape uses

Fire Protection – intended for fire protection uses

Landscape – intended for landscape, agricultural or horticultural uses

Bulk – intended for temporary short term uses

4.10.020 Types of Customers

The District establishes particular customer types based on water use patterns and purpose of use, such as residential or commercial. The Board may adopt different rates for different customer types.

4.10.030 Types of Water Supply

Potable water is water that meets the standards for drinking purposes of the federal, state, or local authority having jurisdiction.

Recycled water, permitted only for specific purposes, is wastewater that has been purified through multiple treatment processes to a level that meets State Water Resources Control Board standards. The District establishes written regulations for the use of recycled water.

4.10.040 Pressure Conditions

Customers are required to accept conditions of pressure and service as are provided by the water system at the location of the service connection and to hold the District harmless for any damages arising out of low pressure or high-pressure conditions or interruptions in service.

**Chapter 4.20**  
**Start and Stop Service**

4.20.010 Requesting Service

Each applicant for water service is required to provide information as requested by the District.

A separate account is established for each category of service at a service location. A request for service should be made a reasonable number of days prior to the start date.

A fee is applied to the first water bill for establishing a new customer account.

#### 4.20.020 Security Deposits

The District may collect a security deposit or reasonable credit assurance from the applicant. A security deposit will be returned to a customer in good standing after one year or it will be credited against the final bill if the account is stopped sooner.

Deposits are required for all bulk water customers.

#### 4.20.030 Responsibility for Account

Responsibility for an account is assigned either to the owner or the tenant. The owner is considered the default account holder for a service installed at the premises. The account will automatically revert back to the owner on file upon the tenant's effective stop service date. The District will make an effort to notify the owner of the change to the account. It is the owner's responsibility to keep contact information current and to notify the District in the event of a change of ownership.

When a property changes ownership, the effective date for the start of service with the new account holder is the close of escrow date.

If there is no identifiable owner, the District will determine how to handle the service at that location and may charge a fee if a meter must be reinstalled or unlocked to reinstate service.

#### 4.20.040 Stopping Service

A request from the account holder to stop service should be made a reasonable number of days prior to the proposed stop date. The District will do a closing meter read on the closest business day to the effective stop date to generate the final bill.

If a tenant stops service, the account will revert back to the owner on file until the District receives a new start service application.

#### 4.20.050 Bulk Water Service

Bulk water is used for temporary needs such as dust control during construction or for transitory landscaping. The District requires the use of recycled water for temporary use whenever feasible and practical. Potable water may be, but is not always, available as a bulk water service.

A request for bulk water service must be made a reasonable number of days prior to the date the service is requested. A deposit will be charged for the bulk meter when the service is granted. It is the bulk water customer's responsibility to report meter reads to the District on a regular basis.

Bulk water meters must be returned to the District office. A final bill will be prepared and the deposit returned after final payment is received.

### **Chapter 4.30**

#### **Metering**

##### 4.30.010 Meter Reading

Meters are read on a regular and periodic basis. For a bi-monthly billing, meters are read on or close to a 60-day cycle; for a monthly billing, meters are read on or close to a 30-day cycle.

##### 4.30.020 Meter Accuracy

If a meter is found not to be registering accurately, the District will estimate the usage for the water bill by a fair and equitable method and its decision will be final.

Customer may request the District test the meter serving their premises. The customer must deposit an amount to cover the cost of a bench test as established by the District fee schedule. The deposit will be returned only if the meter is found to register more than 2% inaccurately. When a meter is found to be registering more than 2% fast, under conditions of normal operation, the District will refund to the customer the full amount of the overcharge based on corrected meter readings for the period, not exceeding six months, that the meter was in use unless the exact duration of fast meter registration can be determined. When a meter is found to be registering more than 25% slow, the District may bill the customer for the undercharge based upon calculated meter readings for the period, not exceeding six months, that the meter was in use.

##### 4.30.030 Non-registering and Unreadable Meters

The District may bill the customer for water consumed while the meter was not registering or was not readable. The bill will be, at the minimum, equal to the basic service charge for the meter size. Additionally, the bill may be calculated using estimated consumption based upon the customer's prior use or upon a reasonable comparison of other customers receiving the same category of service under similar circumstances and conditions.

##### 4.30.040 Fire Detection Meter Use

Water used through a separate fire protection service will only be used to extinguish fires and to test firefighting equipment. Any other type of consumption recorded on the designated fire detection meter may be charged at double the uniform water commodity charge; no charges will

be assessed for water used to extinguish fires where such fires have been reported to the duly authorized fire protection agency.

Water used from a private fire service in violation of this section is prohibited, and the District may also discontinue the domestic service connection serving the premises.

#### **Chapter 4.40** **Billing**

##### 4.40.010 Fees

The District may assess a variety of fees as part of the billing process, as determined and approved by the Board. Such fees may include but are not limited to a new account fee, returned check fee, or reconnection fee.

##### 4.40.020 Water Rates

The District is required by law to set and collect water rates in accordance with California Water Code Section 31025. Water Rates are established in accordance with the California Constitution, Article XIII D §6(a).

There are fixed and variable rates that apply for service. For basic service, charges will be assessed whether or not any water is used. Inactive accounts with meters removed from the ground are exempt from the basic service charge.

Consumption based rates are calculated based on actual usage on an account and can vary based on types of supply, service categories, customer types, and consumption levels.

Separate bills may be rendered for each category of service.

The District may grant adjustments to water bills in the following instances: waiving penalties, billing error corrections, leak adjustments and others as found necessary.

##### 4.40.030 Payment

A water bill is due upon presentation. The delinquent date is set as the 20<sup>th</sup> day from the water bill date. If the delinquent date falls on a District holiday or weekend, the delinquent date will be the next business day.

##### 4.40.040 Delinquent Accounts/Accounts in Arrears

A late penalty will be added to the balance if a full payment is not received by the delinquent date. Exceptions include a prior payment plan in good standing or a pending leak adjustment request.

If there is a deposit, the District reserves the right to apply it towards the unpaid balance if payment is not received by the delinquent date.

The District reserves the right to obtain a third party to collect past due balances, and/or to place a lien on the property for any past due balances.

#### 4.40.050 Discontinuance of Service

The District may start the process to discontinue an account holder's service when payment has not been received by the delinquent date. A notice (red tag) about potential service turn-off will be hung at the service address after the delinquent date.

To restore service, the account holder must pay the balance in full and any other fees that the District deems necessary.

### **Chapter 4.50 Water Use Efficiency**

#### 4.50.010 Water Waste, Leaks, and Other Water Losses

The District establishes written regulations to promote efficient use of water and minimize water waste. The District may impose additional regulations during current or anticipated water shortages. Such regulations may specify mandatory water conservation measures, identify and prohibit wasteful water uses, establish penalties, specify processes for granting variances and appeals, and include other provisions as deemed necessary.

The customer is solely responsible for the amount of water registered by the meter serving their premises and for maintenance and repairs of pipes and fixtures on the customer's side of the meter. No allowance will be made for loss of water on the customer's side of the meter unless authorized in accordance with the written regulations for leak adjustments.

The District attempts to notify customers when leaks or other potential water losses are suspected. When water is wastefully or negligently used on a customer's premises, the District may fine customers and/or discontinue the service if such conditions are not corrected within a reasonable amount of time after giving the customer written notice.

#### Section 4.50.020 Rebates

The District establishes written regulations for water use efficiency rebates. Rebates are granted to customers in good standing for installing certain indoor and outdoor water use efficiency improvements. The District reserves the right to require inspection of the customer's premises before and after installation for purposes of verification.

**Title 5**  
**DISTRICT SERVICES: NEW CONNECTIONS**

**Chapter 5.10**  
**Eligibility for New Water Service**

**5.10.010 Requesting New Service**

New water service connections will be approved in the size and at the location desired by the owner where such requests are determined to be reasonable and the service installation will be made in compliance with the District's standard specifications. The owner is required to provide requested information and to pay a processing fee.

The issuance of a promise to the owner to serve the requested property is subject to and conditioned upon the location of the property in relation to the District's service area, existing water infrastructure and availability of the supply. All services, whether temporary or permanent, unless otherwise specified, will be metered.

**5.10.020 Number of Services per Property**

The owner may request as many services as reasonable to serve their property. If the pipeline systems for each service are interconnected, the owner will be required to install, on the customer side at each meter connection, approved backflow protection devices.

**5.10.030 Master Meters**

The owner may request an installation of a master meter to serve residential premises at their property on the following terms and conditions:

- (a) All units must have individual sub-meters.
- (b) The account holder for the master meter is responsible for equitable distribution of the cost of the water service between the units.
- (c) Separate meter of appropriate size, based upon projected demand, with an approved backflow device must be installed for landscape irrigation.

The owner may request an installation of a master meter to serve non-residential premises at their property on the following terms and conditions:

- (a) Single ownership of all premises.
- (b) Separate meter of appropriate size, based upon projected demand, with an approved backflow device installed for landscape irrigation.

**5.10.040 Service to Separate Parcels and Properties**

Not more than one parcel will be served from each connection except as allowed by this section. The customer will not allow the use of any of the water received by them from the District on any parcel other than those specified in their application for service.

The owner may request an installation of an irrigation master meter to serve more than one parcel of their property. In the event the property is divided among separate ownerships, a recordable document governing the use of the shared connection between the owners of the subject properties must be established.

An irrigation service that serves more than one property can be installed if a recordable document governing the use of the shared connection between the owners of the subject properties is established.

**5.10.050 Moratorium**

Special conditions may be set by an authority, such as the Board, that warrant a suspension of activity, a waiting period, or a limit on new service connections. The Board may, upon showing sufficient cause, prohibit new connections and/or new demands on the water supplies or facilities of the District.

**Chapter 5.20****Changes to Existing Service Connection****5.20.010 Meters**

An owner must obtain approval from the District prior to relocating their meter. Meters moved for the convenience of the owner will be done at the owner's expense. Meters moved for the District's purposes and objectives will be done at District expense.

An owner must request and obtain approval from the District before making any material change in the size, character or extent of the water service equipment or operations that results in a change in demand of the service.

Changes to existing service include but are not limited to:

- (a) Plumbing fixture count change.
- (b) Fire service addition or upgrade.
- (c) Change in degree of hazard, as detailed in Section 1.40.070.

**5.20.020 Fire Hydrants**

Public or private fire hydrants moved for the convenience of the owner will be relocated at the owner's expense. The owner must obtain approval from the District prior to relocating the hydrant.

### **Chapter 5.30**

#### **Installation of New Service Connection**

##### **5.30.010 New Service in District Service Area with No Extension of Water System**

The owner, upon presentation of a building permit issued by the City of Scotts Valley or County of Santa Cruz, or proof of other valid use, may apply for a service connection. The new service connection will be granted only if the District finds that the premises can be connected to a water main of adequate size to provide sufficient pressure and flow to meet the owner's need without adversely affecting service to any existing customers.

The owner of the new service connection is required to provide requested information and to comply with all District regulations. Construction of the new service connection must be done in accordance with the District's standard specifications. That service will be reserved only for the parcel(s) designated by the owner. If the parcel changes ownership before installation of the meter, the new owner must notify the District.

A water service connection from the District main to the owner's property will be installed only by employees or duly authorized agents of the District, or by persons to whom a Notice to Proceed has been issued. Connections installed pursuant to the Notice to Proceed will, upon completion of the work, become the property of the District. Water service will be installed at a location in the size approved by the District. Service installation will be made only to property abutting on public streets or abutting on such water mains as may be constructed in public rights-of-way or easements. Services installed in new subdivisions prior to the construction of streets or in advance of street improvement, must be accepted by the applicant in the installed location.

The owner is responsible for providing and paying for all facilities connecting their property to the existing water system, and reimbursing the District for any and all expenses incurred or paid by the District related to establishing the new service connection. The District may collect a deposit from the owner and draw the applicable funds from the deposit.

##### **5.30.020 New Service in District Service Area with Extension of the Water System**

Everything in Section 5.30.010 is applicable to the process for new service with an extension of the water system.

In addition, whenever premises for which a new service connection is requested cannot adequately be served by the existing water facilities, construction of a water main extension and

related infrastructure will be required at the applicant's expense. Prior to construction of the main extension and necessary related facilities, the applicant for water service is required to enter into a written agreement for such extension and satisfy the conditions as prescribed in such agreement. The terms and conditions of the agreement must be approved by the Board.

All main extensions and other water facilities are to be designed and constructed to satisfy domestic and fire demands with provisions for future extensions, and to improve the water system as a whole. The owner may be required to provide greater than the minimum requirements to serve the premises as the District is charged with developing and constructing an adequate water system that will meet all service requirements of the District.

Unless otherwise permitted, water mains will be extended in the public street right-of-way which serves as access to applicant's parcel, from the existing main's terminus to a location in front of applicant's parcel.

The applicant is fully responsible for providing, at no cost to the District, all easements necessary for the installation, operations, maintenance and replacement of pipelines and facilities owned or to be owned by the District.

#### 5.30.030 New Service Outside District Service Area

Everything in Sections 5.30.010 and 5.30.020 is applicable for new service outside the District service area.

In addition, all requests for permanent potable water service to property located outside the boundaries of the District will be referred to the Board for approval. Factors to be considered include, but are not limited to, the availability of surplus water supply, location of water distribution and transmission facilities, any pending boundary changes, and the water shortage contingency plan currently in effect. Final approval may require annexation from the Santa Cruz County Local Agency Formation Commission (LAFCO).

If the property is located within the boundaries of another water agency, the property owner must obtain approval from that agency to be served by the District.

#### 5.30.040 Fire Hydrants

The fire protection agency having jurisdiction over the property will set the fire hydrant requirements. If fire hydrants are required, such hydrants will be installed and paid for by the applicant. Installation of the fire hydrants must be done in accordance with the District's standard specifications.

#### 5.30.050 Private Fire Protection

The fire protection agency having jurisdiction over the property will set the fire protection service requirements. A residential fire sprinkler system will be served by the residential meter, unless a separate service is necessary to provide the required fire flow. A commercial fire sprinkler system will be served by a designated service line.

No connection is permitted between a private fire protection system and any other water system on the property. Installation of a backflow prevention device is required at the owner's expense.

#### **Chapter 5.40 Fees for New Service Connections**

##### **5.40.010 Fees for New Connections in District Service Area**

The Board has determined that a fee for new connections to the water system will be applied to each new service in order to pay for their fair share of the public water system (equity buy-in). Such fee is necessary to pay a proportional share of the water system expansion or replacement costs essential to provide water to the new or additional service.

A fee will not be extended, imposed, or increased unless it meets all requirements of the California Constitution, Article XIII A and D §6(a).

When the owner requesting water service provides benefit to the District, including but not limited to: dedication of land to the District; participation in an assessment district which provides a source of water supply or storage equal to or greater than that needed to serve the applicant's premises, or other similar forms of benefit; the District may enter into a negotiated agreement to waive the new connection fees, in an amount equal to the value of the benefit received by the District in excess of the property's water demand and/or storage requirement.

Connection fees are based on the meter size and are required in order to connect to either the potable or recycled water system. The fee is also established for connections that are installed for fire protection purposes.

The fee for replacing an existing service connection with a different size or different type of supply will take into consideration relinquishing the equity buy-in of the existing connection by applying an appropriate credit to the fee.

The fees for Accessory Dwelling Units will be in compliance with California Government Code Section 65852.2 (e) and (f) 2.A.

When the applicant desires a service connection for which a fee has not been established by the Board, such fee will be determined by written agreement with the District.

##### **5.40.020 Refunding of Fees**

Refunds can only be requested by the original service agreement applicant requiring a main extension and paid for such extension within ten (10) years after the date of such agreement. Upon the request of the applicant, the District will collect from any future applicant(s) connecting to such main extension, a proportionate share of the original cost of the main extension to the degree of benefit received. The total reimbursement to the original applicant will be one hundred percent (100%) of the main extension cost, less that percentage of cost benefiting the parcel(s) of the original applicant. The proportionality will be based on front footage, parcel area, gross floor area of structures, number of connections or such other formula which is deemed by the General Manager to be both reasonable and fair. The District is obligated to make said reimbursement only to the extent that moneys are received from future applicant(s) who have connected to the main extension installed by the original applicant, and not from any other funds or revenues of the District. The District may charge a processing fee for administering the refunding of the fees, which will be subtracted from the amount payable to the original applicant.

### **Chapter 5.50 Special Contracts**

#### **5.50.010 Temporary Water Service**

Temporary water services are those for which no capacity fees have been paid and are not considered as permanent connections to the District's water supply system. Temporary meters may be required for the purpose of construction, interim landscape maintenance, or other uses not specifically mentioned or described in the Code. Temporary water services may be limited or discontinued at the District's discretion.

The type of use and the time period for temporary water service will be specified at the time of requesting such service. A temporary meter will be issued for a maximum time period not to exceed one (1) year. If the service is not converted to a permanent service after one (1) year, the owner will be required to either request an extension of the temporary service or pay the cost to abandon the service.

The owner is responsible for paying a deposit and installing the facilities required for temporary water service according to District's standard specifications. Charges for water furnished through a temporary service connection will be set at the rates established by the Board.

The owner will use all possible care to prevent damage to the meter or to any other District facilities which are involved in furnishing temporary service. If the meter or other facilities are damaged, the cost of making repairs is paid by the owner.

**Chapter 5.60**  
**Annexation**

5.60.010 Annexation Process

District's general sphere of influence amendments and annexation proposals are considered from time to time by the Board. Terms and conditions pertaining to the annexation are determined, defined, and set forth in proceedings by the District and in accordance with state law. Detachments from the District service area and sphere of influence are also subject to the above described proceedings. Factors to be considered include, but are not limited to, the availability of surplus water supply, location of water distribution and transmission facilities, any pending boundary changes, and the water shortage contingency plan currently in effect. Final approval also requires approval from the Santa Cruz County Local Agency Formation Commission.

If the property is located within the boundaries of another water agency, the property owner must obtain approval from that agency to be served by the District.

5.60.020 Annexation Fees

In addition to all other fees applicable to the new service connections, the owner is required to reimburse for all fees and costs incurred by the District in connection with the annexation.

## **STAFF REPORT - Finance**

Scotts Valley Water District

**Date:** 09/08/22  
**To:** Board of Directors  
**From:** General Manager  
**Item:** Staff Reports 7.3  
**Subject:** **Financial Reports 07/01/21 through 07/31/22**

### **Summary**

Fiscal Year-to-Date (YTD) preliminary figures reflect the period of 07/01/22 through 07/31/22. YTD revenues total \$0.95M and expenses total \$1.3M.

### **Revenue**

July is the first month of the fiscal year. YTD potable water sales revenue is \$0.57M, water services revenue is \$0.21M and new connections revenue is \$78K. Total YTD revenue in the potable water fund is \$0.86M, equal to 10% of the budget and 8% higher than the same period last year.

YTD recycled water sales revenue is \$76K, water services revenue is \$7K, and no revenue from new connections for the period. Total YTD revenue of \$84K in the recycled water fund equals 13% of the budget, which is 14% lower than for the same period of last fiscal year.

### **Expenses**

Combined YTD operating expenses are below budget, with expenses of \$0.3M representing 5% of the budget. Project expenditures total \$270 and the debt service principal payments of \$976K was made.

### **Fund Balance**

Cash reserves at the end of July were approximately \$9.0M with another \$1.3M booked in Accounts Receivable.

### **Enclosed**

Budget Status Balance 07/01/22 – 07/31/22  
Budget Status Revenue 07/01/22 – 07/31/22  
Budget Status Expense 07/01/22 – 07/31/22  
Projects Expense 07/01/22 – 07/31/22  
Balance Sheet 07/31/22  
Check Register 07/01/22 – 07/31/22

# Budget Status - Balance



Period: 07/01/22 - 07/31/2022

FY Remain: 92%

	FY 2022 YTD Actual	FY 2023 YTD Actual	FY 2023 vs. FY 2022	YOY % change	FY 2023 Budget	FY 2023 Remaining Balance	%
<b>Period: 07/01/22 - 07/31/22 (1 month)</b>							
<b>Potable Water - Fund 01</b>							
Water Sales & Services (R10, R20)	\$ 712,798	\$ 783,488	\$ 70,690	10%	\$ 7,167,900	\$ 6,384,412	89%
New Connections (R25)	\$ 34,160	\$ 78,140	\$ 43,980	129%	\$ 720,200	\$ 642,060	89%
Other Revenue (R30, R40)	\$ 54,496	\$ 23	\$ (54,473)	-100%	\$ 1,161,994	\$ 1,161,971	100%
<b>Potable Water Total</b>	<b>\$ 801,454</b>	<b>\$ 861,651</b>	<b>\$ 60,197</b>	<b>8%</b>	<b>\$ 9,050,094</b>	<b>\$ 8,188,443</b>	<b>90%</b>
<b>Recycled Water - Fund 02</b>							
Water Sales & Services (R10, R20)	\$ 97,331	\$ 83,955	\$ (13,377)	-14%	\$ 621,600	\$ 537,645	86%
New Connections (R25)	\$ -	\$ -	\$ -	-	\$ -	\$ -	#DIV/0!
Other Revenue (R30, R40)	\$ 8	\$ 11	\$ 4	47%	\$ 21,800	\$ 21,789	100%
<b>Recycled Water Total</b>	<b>\$ 97,339</b>	<b>\$ 83,966</b>	<b>\$ (13,373)</b>	<b>-14%</b>	<b>\$ 643,400</b>	<b>\$ 559,434</b>	<b>87%</b>
<b>TOTAL REVENUE</b>	<b>\$ 898,793</b>	<b>\$ 945,617</b>	<b>\$ 46,824</b>	<b>5%</b>	<b>\$ 9,693,494</b>	<b>\$ 8,747,877</b>	<b>90%</b>
<b>Expenses - Fund 01 and Fund 02 Combined</b>							
Salaries & Benefits (E01)	\$ 240,465	\$ 219,575	\$ (20,890)	-9%	\$ 3,273,117	\$ 3,053,542	93%
Services & Supplies (E03-E80)	\$ 303,511	\$ 92,220	\$ (211,291)	-70%	\$ 3,194,076	\$ 3,101,856	97%
Project Expenses	\$ 218	\$ 270	\$ 52	24%	\$ 2,579,800	\$ 2,579,530	100%
Debt Service - Principal	\$ 567,298	\$ 976,991	\$ 409,693	72%	\$ 976,991	\$ -	0%
<b>TOTAL EXPENSES *</b>	<b>\$ 1,111,493</b>	<b>\$ 1,289,056</b>	<b>\$ 177,563</b>	<b>16%</b>	<b>\$ 10,023,984</b>	<b>\$ 8,734,928</b>	<b>87%</b>
<b>NET REVENUE</b>	<b>\$ (212,699)</b>	<b>\$ (343,438)</b>	<b>\$ (130,739)</b>		<b>\$ (330,490)</b>	<b>\$ 12,948</b>	
<b>Period: 07/01/22 - 07/31/22 (1 month)</b>							
Total Revenue	\$ 898,793	\$ 945,617	\$ 46,824	5%	\$ 9,693,494	\$ 8,747,877	90%
Total Expenses *	\$ 1,111,493	\$ 1,289,056	\$ 177,563	16%	\$ 10,023,984	\$ 8,734,928	87%
<b>Net Revenue</b>	<b>\$ (212,699)</b>	<b>\$ (343,438)</b>	<b>\$ (130,739)</b>		<b>\$ (330,490)</b>		
<b>Period: 07/01/21 - 06/30/22 (12 months)</b>							
Total Revenue	\$ 8,840,398	\$ 9,239,365	\$ 398,966	5%	\$ 9,253,105	\$ 13,740	0%
Total Expenses *	\$ 9,560,031	\$ 7,526,107	\$ (2,033,923)	-21%	\$ 9,452,089	\$ 1,925,982	20%
<b>Net Revenue</b>	<b>\$ (719,632)</b>	<b>\$ 1,713,257</b>	<b>\$ 2,432,890</b>		<b>\$ (198,984)</b>		

\* Expense totals do not include depreciation expense

# Budget Status - Revenue



Period: 07/01/22 - 07/31/2022

FY Remain: 92%

		FY 2022 YTD Actual	FY 2023 YTD Actual	FY 2023 vs. FY 2022	YOY % change	FY 2023 Budget	FY 2023 Remaining Balance	%
<b>Fund 01</b>	<b>Potable Water</b>							
R10	Operating Revenue - Water Sales							
01-000-41101	Residential Consumption - SF	\$ 299,797	\$ 368,244	\$ 68,446	23%	\$ 2,500,200	\$ 2,131,956	85%
01-000-41102	Residential Consumption - MF	\$ 21,039	\$ 20,617	\$ (422)	-2%	\$ 196,300	\$ 175,683	89%
01-000-41103	CII Consumption	\$ 121,185	\$ 107,361	\$ (13,824)	-11%	\$ 1,392,000	\$ 1,284,639	92%
01-000-41106	CII Consumption - Other	\$ 10,801	\$ 10,233	\$ (568)	-5%	\$ -	\$ (10,233)	
01-000-41105	Irrigation Consumption	\$ 62,762	\$ 64,388	\$ 1,625	3%	\$ 408,200	\$ 343,812	84%
01-000-41200	Other - Bulk Water	\$ 2,441	\$ 1,635	\$ (806)	-33%	\$ 17,600	\$ 15,965	91%
	R10 Sub Totals:	\$ 518,026	\$ 572,478	\$ 54,452	11%	\$ 4,514,300	\$ 3,941,822	87%
R20	Operating Revenue - Water Services							
01-000-41300	Other - Late Penalty	\$ 2,345	\$ 3,693	\$ 1,348	57%	\$ 18,100	\$ 14,407	80%
01-000-42100	Standby Basic Meter Charge	\$ 186,289	\$ 201,156	\$ 14,867	8%	\$ 2,555,700	\$ 2,354,544	92%
01-000-42121	Standby FP Basic Meter Charge	\$ 5,488	\$ 5,711	\$ 223	4%	\$ 71,800	\$ 66,089	92%
01-000-43300	Other Operating Revenue	\$ 650	\$ 450	\$ (200)	-31%	\$ 8,000	\$ 7,550	94%
	R20 Sub Totals:	\$ 194,772	\$ 211,010	\$ 16,238	8%	\$ 2,653,600	\$ 2,442,590	92%
R25	Operating Revenue - New Connections							
01-000-42101	Other Meter Fee	\$ 266	\$ 1,064	\$ 798	300%	\$ 6,900	\$ 5,836	85%
01-000-42102	Other Capacity Fee	\$ 33,644	\$ 76,365	\$ 42,721	127%	\$ 704,400	\$ 628,035	89%
01-000-42120	Other FP Meter Fee		\$ 711	\$ 711		\$ 1,900	\$ 1,189	63%
01-000-43100	Other Will Serve	\$ 250		\$ (250)	-100%	\$ 1,000	\$ 1,000	100%
01-000-43200	Other Dev Proj Review			\$ -		\$ 6,000	\$ 6,000	100%
	R25 Sub Totals:	\$ 34,160	\$ 78,140	\$ 43,980	129%	\$ 720,200	\$ 642,060	89%
R30	Non-Operating Revenue - Other							
01-000-46000	Property Taxes	\$ 48,045		\$ (48,045)	-100%	\$ 1,134,538	\$ 1,134,538	100%
01-000-47110	Interest & Dividend	\$ 1	\$ 23	\$ 22	2170%	\$ 56	\$ 33	59%
01-000-47120	Interest - LAIF			\$ -		\$ 5,300	\$ 5,300	100%
01-000-47520	Misc. Non-Operating Revenue			\$ -		\$ 22,100	\$ 22,100	100%
01-000-47540	Third-Party Reimbursements	\$ 6,450		\$ (6,450)	-100%	\$ -	\$ -	
	R30 Sub Totals:	\$ 54,496	\$ 23	\$ (48,023)	-100%	\$ 1,161,994	\$ 1,161,971	100%
R40	Non-Operating Revenue - Grants							
01-000-45260	Local Grant - ACWA JPIA		\$ -	\$ -		\$ -	\$ -	
	R40 Sub Totals:	\$ -	\$ -	\$ -		\$ -	\$ -	
	<b>Fund 01 Revenue:</b>	\$ 801,454	\$ 861,651	\$ 66,647	8%	\$ 9,050,094	\$ 8,188,443	90%
	Fund 01 Rev Excl Grants & Cap Contributions	\$ 801,454	\$ 861,651	\$ 66,647	8%	\$ 9,050,094	\$ 8,188,443	90%

# Budget Status - Revenue



Period: 07/01/22 - 07/31/2022

FY Remain: 92%

		FY 2022 YTD Actual	FY 2023 YTD Actual	FY 2023 vs. FY 2022	YOY % change	FY 2023 Budget	FY 2023 Remaining Balance	%
<b>Fund 02</b>	<b>Recycled Water</b>							
R10	Operating Revenue - Water Sales							
02-000-41105	Irrigation Consumption	\$ 79,739	\$ 74,741	\$ (4,999)	-6%	\$ 534,900	\$ 460,159	86%
02-000-41200	Other - Bulk Water	\$ 11,528	\$ 1,732	\$ (9,796)	-85%	\$ -	\$ (1,732)	
	R10 Sub Totals:	\$ 91,268	\$ 76,473	\$ (14,794)	-16%	\$ 534,900	\$ 458,427	86%
R20	Operating Revenue - Water Services							
02-000-42100	Standby Basic Meter Charge	\$ 6,064	\$ 7,482	\$ 1,418	23%	\$ 86,700	\$ 79,218	91%
02-000-43300	Other Operating Revenue			\$ -		\$ -	\$ -	
	R20 Sub Totals:	\$ 6,064	\$ 7,482	\$ 1,418	23%	\$ 86,700	\$ 79,218	91%
R25	Operating Revenue - New Connections							
02-000-42101	Other Meter Fee			\$ -		\$ -	\$ -	
02-000-42102	Other Capacity Fee			\$ -		\$ -	\$ -	
	R25 Sub Totals:	\$ -	\$ -	\$ -		\$ -	\$ -	
R30	Non-Operating Revenue - Other							
02-000-47110	Interest & Dividend	\$ 8	\$ 11	\$ 4	47%	\$ 6,800	\$ 6,789	100%
02-000-47520	Other Non-Operating Revenue			\$ -		\$ -	\$ -	
	R30 Sub Totals:	\$ 8	\$ 11	\$ 4	47%	\$ 21,800	\$ 21,789	100%
	<b>Fund 02 Revenue:</b>	<b>\$ 97,339</b>	<b>\$ 83,966</b>	<b>\$ (13,373)</b>	<b>-14%</b>	<b>\$ 643,400</b>	<b>\$ 559,434</b>	<b>87%</b>
	Fund 02 Rev Excl Grants & Cap Contributions	\$ 97,339	\$ 83,966	\$ (13,373)	-14%	\$ 643,400	\$ 559,434	87%
	<b>Revenue Totals:</b>	<b>\$ 898,793</b>	<b>\$ 945,617</b>	<b>\$ 53,274</b>	<b>5%</b>	<b>\$ 9,693,494</b>	<b>\$ 8,747,877</b>	<b>90%</b>
	Revenue Total Excl Grants & Cap Contributions	\$ 898,793	\$ 945,617	\$ 53,274	5%	\$ 9,693,494	\$ 8,747,877	90%

# Budget Status - Expense



Period: 07/01/22 - 07/31/2022

FY Remain: 92%

		FY 2022 YTD Actual	FY 2023 YTD Actual	FY 2023 vs. FY 2022	YOY % change	FY 2023 Budget	FY 2023 Remaining Balance	%
<b>Fund 01 and Fund 02 Combined</b>								
<b>Dept</b>	<b>Administration</b>							
E01	Salaries & Benefits	\$ 80,397	\$ 30,504	\$ (49,893)	-62%	\$ 816,906	\$ 786,402	96%
E03	General & Admin - Services	\$ 20,319	\$ 24,176	\$ 3,857	19%	\$ 414,770	\$ 390,594	94%
E05	General & Admin - Supplies	\$ 3,850	\$ -	\$ (3,850)	-100%	\$ 16,900	\$ 16,900	100%
E10	Source of Supply	\$ 84,000	\$ -	\$ (84,000)	-100%	\$ 250,000	\$ 250,000	100%
E70	Other	\$ -	\$ -	\$ -		\$ 5,000	\$ 5,000	100%
	<b>Dept 100 Sub Totals:</b>	<b>\$ 188,566</b>	<b>\$ 54,680</b>	<b>\$ (133,886)</b>	<b>-71%</b>	<b>\$ 1,503,576</b>	<b>\$ 1,448,896</b>	<b>96%</b>
<b>Dept</b>	<b>Finance/Customer Service</b>							
E01	Salaries & Benefits	\$ 39,921	\$ 45,675	\$ 5,755	14%	\$ 553,829	\$ 508,154	92%
E03	General & Admin - Services	\$ 15,604	\$ 20,514	\$ 4,910	31%	\$ 150,242	\$ 129,728	86%
E05	General & Admin - Supplies	\$ -	\$ 100	\$ 100		\$ 4,000	\$ 3,900	98%
E35	Customer Accounts	\$ 21,329	\$ 28,235	\$ 6,906	32%	\$ 291,764	\$ 263,529	90%
E70	Other	\$ 97,029	\$ -	\$ (97,029)	-100%	\$ 1,100	\$ 1,100	100%
E80	Debt Service - Interest	\$ 14,903	\$ 12,504	\$ (2,399)	-16%	\$ 141,100	\$ 128,596	91%
	<b>Dept 200 Sub Totals:</b>	<b>\$ 188,786</b>	<b>\$ 107,028</b>	<b>\$ (81,757)</b>	<b>-43%</b>	<b>\$ 1,142,035</b>	<b>\$ 1,035,007</b>	<b>91%</b>
<b>Dept</b>	<b>Operations</b>							
E01	Salaries & Benefits	\$ 111,913	\$ 132,356	\$ 20,443	18%	\$ 1,680,391	\$ 1,548,035	92%
E03	General & Admin - Services	\$ 22,101	\$ 4,425	\$ (17,677)	-80%	\$ 269,200	\$ 264,775	98%
E05	General & Admin - Supplies	\$ -	\$ -	\$ -		\$ 40,000	\$ 40,000	100%
E07	General Production	\$ -	\$ 1,036	\$ 1,036		\$ 129,300	\$ 128,264	99%
E10	Source of Supply	\$ -	\$ -	\$ -		\$ 120,000	\$ 120,000	100%
E15	Pumping	\$ 534	\$ -	\$ (534)	-100%	\$ 542,300	\$ 542,300	100%
E20	Water Treatment	\$ -	\$ -	\$ -		\$ 510,700	\$ 510,700	100%
E25	Transmission & Distribution	\$ 1,183	\$ 1,230	\$ 47	4%	\$ 146,600	\$ 145,370	99%
E35	Conservation	\$ 232	\$ -	\$ (232)	-100%	\$ 5,000	\$ 5,000	100%
E70	Other	\$ 22,428	\$ -	\$ (22,428)	-100%	\$ -	\$ -	
	<b>Dept 300 Sub Totals:</b>	<b>\$ 158,391</b>	<b>\$ 139,047</b>	<b>\$ (19,344)</b>	<b>-12%</b>	<b>\$ 3,443,491</b>	<b>\$ 3,304,444</b>	<b>96%</b>
<b>Dept</b>	<b>Engineering</b>							
	Capacity Buyback							
E01	Salaries & Benefits	\$ 7,605	\$ 7,395	\$ (210)	-3%	\$ 120,368	\$ 112,973	94%
E03	General & Admin - Services	\$ -	\$ -	\$ -		\$ 116,400	\$ 116,400	100%
E05	General & Admin - Supplies	\$ -	\$ -	\$ -		\$ 600	\$ 600	100%
	<b>Dept 400 Sub Totals:</b>	<b>\$ 7,605</b>	<b>\$ 7,395</b>	<b>\$ (210)</b>	<b>-3%</b>	<b>\$ 237,368</b>	<b>\$ 229,973</b>	<b>97%</b>
<b>Dept</b>	<b>Board of Directors</b>							
E01	Salaries & Benefits	\$ 630	\$ 3,645	\$ 3,015	479%	\$ 101,623	\$ 97,978	96%
E03	General & Admin - Services	\$ -	\$ -	\$ -		\$ 28,300	\$ 28,300	100%
E05	General & Admin - Supplies	\$ -	\$ -	\$ -		\$ 800	\$ 800	100%
	<b>Dept 900 Sub Totals:</b>	<b>\$ 630</b>	<b>\$ 3,645</b>	<b>\$ 3,015</b>	<b>479%</b>	<b>\$ 130,723</b>	<b>\$ 127,078</b>	<b>97%</b>

# Budget Status - Expense



Period: 07/01/22 - 07/31/2022

FY Remain: 92%

		FY 2022 YTD Actual	FY 2023 YTD Actual	FY 2023 vs. FY 2022	YOY % change	FY 2023 Budget	FY 2023 Remaining Balance	%
<b>Summary</b>								
E01	Salaries & Benefits	\$ 240,465	\$ 219,575	\$ (20,890)	-9%	\$ 3,273,117	\$ 3,053,542	93%
E03	General & Admin - Services	\$ 58,024	\$ 49,115	\$ (8,909)	-15%	\$ 978,912	\$ 929,797	95%
E05	General & Admin - Supplies	\$ 3,850	\$ 100	\$ (3,750)	-97%	\$ 62,300	\$ 62,200	100%
E07	General Production	\$ -	\$ 1,036	\$ 1,036		\$ 129,300	\$ 128,264	99%
E10	Source of Supply	\$ 84,000	\$ -	\$ (84,000)	-100%	\$ 370,000	\$ 370,000	100%
E15	Pumping	\$ 534	\$ -	\$ (534)	-100%	\$ 542,300	\$ 542,300	100%
E20	Water Treatment	\$ -	\$ -	\$ -		\$ 510,700	\$ 510,700	100%
E25	Transmission & Distribution	\$ 1,183	\$ 1,230	\$ 47	4%	\$ 146,600	\$ 145,370	99%
E35	Customer Accounts	\$ 21,329	\$ 28,235	\$ 6,906	32%	\$ 292,864	\$ 264,629	90%
E70	Other	\$ 119,689	\$ -	\$ (119,689)	-100%	\$ 6,100	\$ -	0%
E80	Debt Service - Interest	\$ 14,903	\$ 12,504	\$ (2,399)	-16%	\$ 141,100	\$ 128,596	91%
	Purchase Order Carryover					\$ 14,000		
<b>District Expense Total:</b>		<b>\$ 543,977</b>	<b>\$ 311,795</b>	<b>\$ (232,182)</b>	<b>-43%</b>	<b>\$ 6,467,293</b>	<b>\$ 6,135,398</b>	<b>95%</b>
<b>Fund 01 and 02 Combined</b>								
E01	Salaries & Benefits	\$ 240,465	\$ 219,575	\$ (20,890)	-9%	\$ 3,273,117	\$ 3,053,542	93%
E03-E80	Services & Supplies	\$ 303,511	\$ 92,220	\$ (211,291)	-70%	\$ 3,180,176	\$ 3,087,956	97%
	Purchase Order Carryover					\$ 20,000		
<b>District Expense Total:</b>		<b>\$ 543,977</b>	<b>\$ 311,795</b>	<b>\$ (232,182)</b>	<b>-43%</b>	<b>\$ 6,473,293</b>	<b>\$ 6,141,498</b>	<b>95%</b>

# Projects - Expense



Period: 07/01/22 - 07/31/2022

FY Remain: 92%

Fund 01 and Fund 02 Combined		FY 2023 YTD Actual	FY 2023 Budget *	FY 2023 Remaining Balance	%
<b>Project</b>	<b>Description</b>				
C15007	Lompico Formation Production Well (Well 9)		\$ 250,000	\$ 250,000	100%
C16023	Orchard Run WTP Water Quality Improvements			\$ -	
C16024	Bethany Tank Rehabilitation		\$ 144,510	\$ 144,510	100%
M17011	Meters with AMI		\$ 25,000	\$ 25,000	100%
C17011	AMI Technology for Meters		\$ 5,000	\$ 5,000	100%
C17018	Specialized Operations Vehicle		\$ 50,000	\$ 50,000	100%
C18033	Polo Ranch Booster Station Rehab			\$ -	
C19020	El Pueblo WTP Improvements		\$ 150,000	\$ 150,000	100%
C19030	Hacienda Pump Station Improvements	\$ 270		\$ (270)	
C19070	Vehicle Replacement Program			\$ -	
C20010	Main Replacement Program - PW		\$ 100,000	\$ 100,000	100%
C20020	Treatment Facility for New Formation Well			\$ -	
C20040	Administrative Building Improvements		\$ 90,290	\$ 90,290	100%
C21010	Well 10 Treatment Plant Improvements			\$ -	
C22010	Well 3B Replacement		\$ 1,450,000	\$ 1,450,000	100%
TBD	SCWD-SVWD System Intertie		\$ 500,000	\$ 500,000	100%
TBD	SCWD-SVWD System Intertie - Grant Reimb		\$ (500,000)	\$ (500,000)	100%
TBD	Monte Fiore Pump Station Rehab		\$ 75,000	\$ 75,000	100%
TBD	Purified Recycled Water Recharge		\$ 50,000	\$ 50,000	100%
TBD	Pressure Regulator Station - Granite Creek		\$ 15,000	\$ 15,000	100%
TBD	Service Line Replacement - Motevalle		\$ 150,000	\$ 150,000	100%
TBD	Corp Yard Improvements		\$ 25,000	\$ 25,000	100%
<b>Projects Expense Totals:</b>		\$ 270	\$ 2,579,800	\$ 2,579,530	100%

# Balance Sheet



## Fund 01, Fund 02 and Fund 03 Combined

	7/31/21	7/31/22
<b>Assets</b>		
Cash	\$3,331,065	\$9,003,694
Accrued Interest	\$7,010	\$11
A/R Customer-Water	\$1,425,845	\$1,343,131
Property Tax Receivable	\$48,045	\$0
A/R - Other	\$98,060	\$91,972
Interfund Loan Receivable	\$888,040	\$888,040
Inventory	\$271,380	\$213,404
Prepaid Expense	\$155,972	\$0
Note Receivable	\$0	\$0
JPA Investment	\$387,112	\$398,572
Land & Right-of-ways	\$650,697	\$650,697
Construction-in-progress	\$4,486,596	\$2,135,629
Water Rights / Intangible Assets	\$5,267,833	\$5,267,833
Plant & Equipment	\$39,131,437	\$42,572,708
Depreciation/Amortization	(\$23,827,288)	(\$24,675,883)
Deferred Pension Outflows	\$694,399	\$2,491,719
Unfunded OPEB Liability	\$142,970	\$140,200
	<b>\$33,159,172</b>	<b>\$40,521,728</b>
<b>Liabilities</b>		
A/P & Accrued Expenses	\$954,408	\$367,200
Accrued Salaries & Wages	\$0	\$415
Accrued Interest Payable	\$0	\$0
Customer Deposits	\$71,610	\$398,610
Interfund Loans	\$888,040	\$888,040
LT Liabilities Due in 1 Yr	\$38,251	\$38,838
Unearned Revenue	\$58,282	\$84,345
Long-term Liabilities	\$8,102,166	\$13,837,917
Deferred Pension Inflows	\$215,460	\$116,480
	<b>\$10,328,217</b>	<b>\$15,731,844</b>
<b>Fund Balance</b>		
Investment in Capital Assets	\$17,684,486	\$17,684,486
Unrestricted Net Position	\$4,679,087	\$6,605,219
	<b>\$22,363,573</b>	<b>\$24,289,705</b>
Total Liabilities and Fund Balance:	\$32,691,790	\$40,021,549
Total Retained Earnings:	\$467,382	\$500,179
Total Fund Balance and Retained Earnings:	\$22,830,955	\$24,789,883
<b>Total Liabilities, Fund Balance, and Retained Earnings:</b>	<b>\$33,159,172</b>	<b>\$40,521,728</b>

Scotts Valley Water District  
AP Check Register  
July 2022

Vendor Name	Check Date	Check No.	Check Amount	Description
ACWA/JPIA	07/15/2022	31175	32,912.41	EE & Retiree Benefits - Aug 2022
AUTOMATIONDIRECT.COM, INC	07/07/2022	31140	269.99	Hacienda PS Improvements - Digital Counter/Timer/Tachometers
BADGER METER	07/07/2022	31141	4,108.24	Cell Charge for PW Meter Reads - Jun 2022
BECKY SORCI	07/07/2022	31163	732.00	Customer Rebates - Special Lawn Rebate
CHRISTOPHER PERRI	07/15/2022	31184	1,168.83	Director Medical - Jul 2022
CITY OF SANTA CRUZ	07/07/2022	31142	386.06	Water Conservation Coalition - Website
CIVIL CONSULTANTS GROUP, INC	07/07/2022	31143	13,500.00	SMGWA - Surveying for Vine Hill Monitoring Well
CLAUDIA DUVERNOIS	07/15/2022	31176	400.73	Correcting EE Tax Withholding - June 2022
ECOLOGY ACTION OF SANTA CRUZ	07/07/2022	31144	763.45	Water Conservation Coalition - Training
EMILY RAKOW	07/15/2022	31185	462.00	Customer Rebates - Special Lawn Replacement Rebate
EUROFINS EATON ANALYTICAL	07/07/2022	31145	450.00	Lab Testing for Water Quality
FASTENAL COMPANY	07/07/2022	31146	108.67	Vac Truck Tool Box Installation Materials
GARY KIASKI	07/15/2022	31178	650.00	Customer Rebates - Special Lawn Replacement Rebate
GRAINGER	07/07/2022	31147	68.00	Main Maint - Test Strips
GURTEJ PHANGUREH	07/07/2022	31159	50.00	Reissue Check #30703 - Customer Rebates - Toilet
HANK LOPEZ	07/15/2022	31181	1,072.00	Customer Rebates - Special Lawn Replacement Rebate
ICONIX WATERWORKS (US), INC	07/07/2022	31148	2,947.02	Service Lateral Maint - Adapters
INFOSEND	07/15/2022	31177	2,527.37	PW/RW UB Statements Printing / Mailing - June 2022
JACKSON LANDSCAPE	07/07/2022	31149	705.08	Landscape Maint - 2 Civic Ctr - June 2022
LAW OFFICE OF ROBERT E BOSSO	07/15/2022	31179	3,500.00	Legal Counsel Services - June 2022
LEADERSHIP SANTA CRUZ COUNTY	07/07/2022	31150	1,275.00	Leadership Training - Albert
LOCAL AGENCY FORMATION COMM	07/07/2022	31151	8,827.02	LAFCO Annual Fees - FY2023
MILLER MAXFIELD, INC	07/07/2022	31152	3,993.75	Communication & Public Outreach Services - June 2022
MISSION UNIFORM SERVICE	07/07/2022	31153	490.33	Uniform Laundering / Rental Svc - Jun 2022
MONTGOMERY & ASSOCIATES, INC	07/15/2022	31182	755.00	Well 3B Replacement - Project Management
MPRESS DIGITAL	07/07/2022	31154	1,617.61	CCR Postcard Mailing
NATIONWIDE RETIREMENT SOLUTIONS	07/07/2022	31155	2,692.94	IRS 457 Plan - Payroll Date July 1, 2022
OLIVE SPRINGS QUARRY	07/07/2022	31156	9.88	Main Maint - Asphalt
PACIFIC GAS & ELECTRIC	07/07/2022	31157	186.34	Electricity - Polo Ranch - June 2022
PATRICIA NORTON	07/15/2022	31183	444.77	Retiree Medical - July 2022
PRESS BANNER	07/07/2022	31160	293.00	Monthly Ad - Press Banner
ROHRBOUGHS TREE SERVICE	07/07/2022	31161	16,800.00	Tree Trimming / Clean up - Tanks
RUTH STILES	07/15/2022	31186	585.52	Director Medical - July 2022
SCOTTS VALLEY SPRINKLER	07/07/2022	31162	213.86	WTP Maint - Fittings
SPRINGBROOK HOLDING COMPANY, LLC	07/07/2022	31164	2,358.00	CC Payment Transaction Fees - June 2022
STEVENSON LANDSCAPING	07/07/2022	31165	750.00	Landscaping @ Misc Locations - June 2022
SYCAL ENGINEERING, INC	07/07/2022	31166	1,279.29	Engineering for SCADA
THE PRINT GALLERY	07/07/2022	31167	234.68	ADM Event Supplies - T-Shirts
U.S. BANK EQUIPMENT FINANCE	07/15/2022	31187	372.14	Copier Lease - July 2022
UNITED SITE SERVICES	07/07/2022	31168	299.57	Portable Toilet Rental - Well 10 - July 2022
UNIVERSAL BUILDING SERVICES	07/07/2022	31169	432.00	Janitorial Service - El Pueblo - June 2022
UTILITY SERVICE ASSOCIATES LLC	07/15/2022	31188	17,984.00	Water Main Leak Detection
VALERO FLEET	07/07/2022	31170	75.52	Vehicle Fuel - June 2022
VEENA PATEL	07/07/2022	31158	1,080.00	Customer Rebates - Special Lawn Rebate
WADE LEISHMAN	07/15/2022	31180	185.51	Director Medical - July 2022
WATER EDUCATION FOUNDATION	07/07/2022	31171	325.00	Annual Dues
WATERSMART SOFTWARE	07/07/2022	31172	11,500.00	Annual Watersmart Software License
WEBSOFT DEVELOPERS, INC	07/07/2022	31173	7,342.50	FY 2022 GIS Support Services
West Coast Energy Systems LLC	07/07/2022	31174	111,116.29	Generac Mobile Diesel Generator
			<b>\$ 260,301.37</b>	\$

Wire / ACH Payments  
July 2022

Vendor Name	Trans Date	Check No.	Trans Amount	Description
ADP	7/8/2022	n/a	\$ 217.80	ADP Workforce Now HR Fees - Jun 2022
ADP	7/8/2022	n/a	\$ 190.65	ADP Time & Attendance Fees - Jun 2022
ADP	7/8/2022	n/a	\$ 412.97	ADP PW22, PW24 Fees - Jun 2022
BlueFin	7/5/2022	n/a	\$ 6,862.96	Bluefin CC Processing Fees - Apr 2021
BlueFin	7/5/2022	n/a	\$ 101.69	Bluefin Civic PayPad Fees - Apr 2021
CalPERS	7/15/2022	n/a	\$ 11,922.24	CalPERS Retirement - PW28 Ended 07/11/2022
Chase Bank	7/1/2022	n/a	\$ 703,791.41	Loan Payment
First Foundation Bank	7/1/2022	n/a	\$ 267,377.39	Loan Payment
Wells Fargo Bank	7/11/2022	n/a	\$ 3,945.50	Wells Fargo Client Analysis Charge
Wells Fargo CC	7/28/2022	n/a	\$ 6,471.18	WFB CC Payment - Jul 2022
			<b>\$ 1,001,293.79</b>	

**WFB Credit Card Payment**

**July 2022**

Vendor Name	Trans Date	Check No.	Trans Amount	Description
Ace Hardware - Scotts Valley, CA	6/3/2022	n/a	60.35	ADM Event Supplies - Table
Amazon	6/5/2022	n/a	16.45	OPS - Amazon Prime Monthly Membership Fee
Amazon	6/21/2022	n/a	27.58	ADM Office Supplies - Coffee
Amazon	6/21/2022	n/a	65.89	ADM Office Supplies - Cell Phone Case
Amazon	6/25/2022	n/a	19.73	ADM Office Supplies - Stamp
Amazon	6/29/2022	n/a	12.06	ADM Office Supplies
Amazon	7/1/2022	n/a	81.76	ADM Office Supplies
Association of CA Water Agencies	6/22/2022	n/a	70.00	ADM Travel & Meetings - ACWA Region 1 Program and Tour Event Registr
AT&T	6/4/2022	n/a	101.65	Backup Internet - El Pueblo - Jun 2022
AT&T	6/4/2022	n/a	160.50	Backup Internet - 2 Civic Ctr - Jun 2022
AT&T	6/7/2022	n/a	33.97	AT&T Circuits - Jun 2022
AT&T	6/10/2022	n/a	472.82	SCADA Auto Dialer Modem / Alarm - Jun 2022
Brownstein Hyatt Farber Schreck, LLP	6/29/2022	n/a	375.00	Event Registration - CA H2O Womens Conference - Harmon
CalGovHR	6/6/2022	n/a	60.00	ADM - CalGovHR Annual Membership
Comcast	6/6/2022	n/a	376.44	Internet - 2 Civic Ctr - Jun 2022
Comcast	6/23/2022	n/a	420.47	Internet - El Pueblo - Jun 2022
ErgoDirect.com	6/20/2022	n/a	147.95	ADM Office Supplies - Ergonomic Armrests
EvoGov	6/22/2022	n/a	75.00	Website Hosting
Haworth Inc	6/20/2022	n/a	887.88	ADM Office Supplies - Ergonomic Desk
Home Depot -Soquel, CA	6/2/2022	n/a	305.07	ADM Event Supplies - Table, Chairs, Canopy
Home Depot -Soquel, CA	6/22/2022	n/a	156.26	ADM Building Maint - Replace Kitchen Sink Disposal
MailChimp	6/3/2022	n/a	69.99	Monthly Mailchimp Digital Marketing / Promotional Services
Nob Hill - Scotts Valley, CA	6/16/2022	n/a	16.12	ADM Event Supplies - Snacks
Office Depot	6/21/2022	n/a	83.60	ADM Office Supplies - Ergonomic Desk Supplies
Office Depot	6/21/2022	n/a	109.52	ADM Office Supplies - Ergonomic Desk Supplies
Planet Orange	6/14/2022	n/a	69.00	Monthly Pest Control - El Pueblo
Planet Orange	6/14/2022	n/a	104.00	Monthly Pest Control - 2 Civic Ctr
Press Banner	6/3/2022	n/a	265.00	Monthly Ad - Press Banner
Press Banner	6/24/2022	n/a	265.00	Monthly Ad - Press Banner
Safeway - Scotts Valley	6/15/2022	n/a	20.84	OPS Supplies - Paper Towels
Santa Cruz Sentinel	6/30/2022	n/a	12.00	ADM - Monthly Subscription
Times Publishing Group	6/4/2022	n/a	178.50	Monthly Ad - Scotts Valley Times
UPS Store	6/6/2022	n/a	278.36	OPS Shipping - El Pueblo VFD
UPS Store	6/14/2022	n/a	8.90	OPS Shipping
WateReuse Association	6/23/2022	n/a	575.00	Board Travel & Meetings - WaterReuse CA Annual Conference Registratio
WithLogos.com	6/16/2022	n/a	282.77	ADM Event Supplies - Beachballs
Zoom	6/25/2022	n/a	40.00	Zoom Cloud Recording / Zoom Rooms Fee
Zoro Tools	6/10/2022	n/a	165.75	ADM Restroom Repair Parts

**\$ 6,471.18**

## ACWA Groundwater Committee Meeting

**Tuesday, July 26, 2022**

### STATE AGENCY UPDATES

#### DWR

##### GSP reviews

- DWR is currently reviewing the incomplete plans and the 2022 plans.
  - If the incomplete plans do not address the deficiencies it will go to consultation with the State Board.
  - There are 12 incomplete plans (often multiple GSPs per plan) out of the 20 submitted
  - After submitting the revised plans there will also be a standard 20-day completeness review. And there is a 60-day public comment period.
  - DWR is hoping to review the resubmitted plans by the end of the year. But no promises.
- Everybody should assume Plans will change over time. These are not static.
- If you get an inadequate determination, but have grant funding for SGMA implementation, you should plan on continuing to implement your plan with the grant funding. Do not stop work on GSP implementation.
- Also started reviewing the 65 GSPs received in 2022 - takes a large, concerted effort by the entire SGMO staff and regional staff to complete these reviews.
  - Reviews to be completed by Jan. 2024

##### Assistance update

- **Round 2 SGMA Grant Funding** has at least \$200M for all High/Medium priority basins. The grant application will be a traditional competitive process. Solicitation will come out LATE 2022 or more likely early 2023.
- DWR is continuing planning assistance. See the SGMA assistance and engagement page for more information. Don't forget about facilitation services.
- DWR is currently working on a **Drinking Water Well Guidance** for GSAs to consider as they move forward. This may not be a single document, but more interactive, dynamic information.
- **New AEM Data Viewer** will include GIS data in 3D from the helicopter info as they come in
  - Also published a first report on the data collected in Salinas Valley Basin (first basin to be flown)
  - San Joaquin Valley data should be ready this Fall

- Each area will have a report that describes the data collected.
- **InSAR subsidence data** will now be available on a quarterly basis for the next few years -on Open Data and SGMA Data Viewer
- The **2019 Statewide Land Use Dataset** was released and is available on the SGMA Data Viewer and the Land Use Viewer as well as the Open Data website. It is accurate down to the field level.
- The **SVSim calibrated model Version 1**, is now available on the Open Data platform. This is the IWFm-based model of the Sacramento Valley that focuses on surface water/groundwater interaction.

#### Drought Management

- California Groundwater Live is a one-stop shop for latest groundwater conditions in California.
- DWR developed a suite of tools to satisfy 3 different elements of drought response: Monitoring and Early Warning, Vulnerability and Impacts Assessment, and Mitigation & Preparedness Response
- Dry Domestic Well Susceptibility website uses domestic well information and groundwater level information to identify risk areas. Users can search by county, or address to get a heat map of how many wells are at risk. Should be updated annually.
- The Dry Well Reporting System allows people to report dry wells. There is also a public view portion of this. DWR is trying to alert counties whenever a dry well is reported so Counties can respond. People can also sign up for notification whenever dry wells are reported for their county. GSAs could sign up for this to be notified about dry wells.

#### Executive Order N-7-22, Action 9

- Item 9A: GSA establishes consistency with GSP & sustainability goal.
- Item 9B: Well permitting agency finds new well is not likely to interfere with other wells or cause subsidence. Well permitting agencies could use the Dry Well Susceptibility tool for this.

#### Executive Order N-7-22, Action 13

- CEQA suspension for recharge projects.
- Focus on recharge on open lands or working lands (Flood-MAR/Ag-MAR).

- There is a self-certification form to show you are eligible for CEQA exemption. DWR will review and concur with (hopefully) the self-certification. DWR hopes to review very quickly, but no time frame is given.

## GROUNDWATER RESOURCES ASSOCIATION (GRA)

GRA is working on implementing its Strategic Plan.

Upcoming GRA Casts:

- PFAS
- Multi-port monitoring
- Potable reuse history

GRA has many committees to join if you want to get involved:

- Legislative and Advocacy
- Technical
- Diversity, Equity & Inclusion

SAVE THE DATE: Western Groundwater Congress 2022 (5<sup>th</sup> annual)

- Biggest GRA event of the year
- September 19-21 in Sacramento

## SGMA INNOVATION PANEL

A panel that discusses SGMA progress and innovations: – Aaron Fukuda, Sierra Ryan, and Marcus Trotta.

Aaron Fukuda/Mid-Kaweah GSA

GSA is working on data gaps and fill monitoring well networks. Developing better subsidence modeling. And implementing AEM data into their groundwater model.

Currently implementing projects such as the Okieville recharge to help DAC water quality and quantity. Also working on McKay Point reservoirs and converting Cameron Creek into a linear recharge project.

The GSA's most significant action is an emergency ordinance groundwater cap. The GSA is charging users for extractions based on ET measurements. Charges are tiered to promote conservation. They have developed a toolbox to give flexibility and information on how they implement the groundwater cap.

The GSA is also working on a well mitigation program.

## Sierra Ryan/County of Santa Cruz

Sierra is focusing on the interaction of SGMA, Drought Response requirements, SB552 (urgent drinking water grants), and Executive Order N-7-22.

Many wells in Santa Cruz County are not in basins, which makes it difficult to solve issues though SGMA.

Response to SB552. The County has a water advisory commission that has a subcommittee for drought response. This Drought response working group has broad representation including GSAs, DACs, environmental representative, etc.

Response to Executive Order N-7-22. The County requires the well applicants certify neighboring wells will not be impacted. The GSA just has to check a box saying “inconsistent” or “not inconsistent”.

## Marcus Trotta/Sonoma Water

Sonoma County has three SGMA Basins.

GSP implementation costs do not vary greatly between basins. However, the number of groundwater pumpers that must bear the cost ranges widely between basins. Therefore, there is a significant per-acre-foot cost discrepancy between basins: sometimes between neighbors.

Petaluma and Sonoma Valley GSAs adopted reduced Year 1 budgets to lower fees, so that they are the same as in the Santa Rosa Plain Basin. The County has stepped in to pay part of the cost in Petaluma and Sonoma Valley Basins, but it is still not enough to do much work. Sonoma and Petaluma Valley need to develop a more sustainable fee structure.

## LEGISLATIVE UPDATE/KRIS ANDERSON

AB2201. Bill is in Assembly Appropriations Committee. All bills must be finished by end of August – so it’s a tight time schedule. Quite a bit of opposition to this bill. Amendments are still being considered to address opposition concerns. GSAs no longer need to conduct a 30-day public comment period. GSAs are no longer responsible for well specific analysis.



July 25, 2022 Submitted/July 29, 2022 Signatories Updated

The Honorable Bill Dodd  
 California State Senate  
 1021 O St., Suite 6620  
 Sacramento, CA 95814

RE: SB 222 (Dodd) – Water Rate Assistance Program  
 Position: OPPOSE UNLESS AMENDED

Dear Senator Dodd:

The undersigned organizations (the Coalition) believe that there can be a workable and efficient State water and wastewater low-income rate assistance program in California. In 2021, the Association of California Water Agencies (ACWA) worked extensively with you, your staff, the bill sponsors, four policy committees, and both the Senate and Assembly Appropriations Committees to address the Coalition's concerns with SB 222. We greatly appreciated the amendments that you made in 2021 that allowed the Coalition in August of 2021 to move from an "Oppose-Unless-Amended" position to a "Watch" position. Unfortunately, the June 23, 2022 amendments to SB 222 raise significant concerns, and the Coalition now has an "Oppose-Unless-Amended" position on SB 222. **Attached is a mockup of amendments that, if incorporated, would allow the Coalition to remove its opposition.** Following is an overview of the concerns.

- 1) **System Role / Proposition 218 - SB 222 would require each Community Water System and Sewer System to create and implement its own water rate assistance program – as opposed to playing an administrative (pass through) role in implementing a State Water Rate Assistance Program. The bill's approach would now run afoul of Proposition 218.**

The new version of SB 222 would require each eligible system to offer water rate assistance. [See Page 11, Line 36.] Water systems are prohibited under the State Constitution (Proposition 218) from providing low-income rate assistance using rate revenues from other customers. SB 222 needs to propose a **State assistance program**: a) funded with funding from the proposed State Water Rate Assistance Fund (Fund); and b) in which eligible systems play an administrative (pass through) role by receiving funding from the Fund and applying it to the accounts of low income households that the State has enrolled in the program and administrative costs.

- 2) **Efficiency / Implementing Agency / Key Program Components – Building administrative efficiency into this State program will allow for more assistance to go to low-income households. The State should handle enrollment and utilize a third-party fund administrator.**

The introduced (January 14, 2021) version of SB 222 proposed the State Water Resources Control Board (State Water Board) as the implementing agency. The Coalition and other organizations urged that the California Department of Community Services and Development (CSD) be the implementing agency. You made that change in the April 5, 2021 version. The June 23, 2022 version proposes to go back to the initial proposal to have the State Water Board implement the program.

**Efficiency in the State's administration of the State's water rate assistance program will allow for more assistance to go to low-income households.** ACWA and others suggested that CSD implement the program because this is what CSD does – CSD implements low-income assistance programs. CSD already contracts with a third-party fund disbursement entity and works with local service providers around the State to

enroll low-income households. State management of enrollment is important because most public water agencies do not have income information for their customers since they cannot use rate revenue to subsidize low-income rates under Proposition 218.

The Coalition urges you and the Newsom Administration to take a hard look at the issue of does it make sense to reinvent the wheel at the State Water Board and end up spending more money for administration than is needed. The Coalition's strong preference is for this program to be placed at CSD. If the program is placed at the State Water Board, **it is critical that State handle customer enrollment – as CSD does, and that the State contracts with a third party fund administrator – as CSD does.**

**3) System Administrative Costs - The proposed funding for system administrative costs is not adequate.** [Page 4, Line 13 and Page 5, Line 18]

The new version of the bill would add a new proposed requirement that the State Water Board “provide funds to eligible systems for administration of the program, not to exceed the greater of **3 percent** of the total subsidy or two thousand dollars.” While this is a positive addition in the sense that it would be required, the 3 percent number would not cover reasonable administrative expenses. The Coalition suggests increasing this number to 5 percent.

**4) Frequency of Funding Distribution – The bill does not address the timing of distribution of the funding.**

The attached mockup suggests that systems, after the State adopts emergency regulations and enrolls participants, need to receive the funding from the Fund annually in advance, and then the systems should be required to apply funding within two months to each enrolled customer's bill installment thereafter for the annual period.

**5) Additional Action Authority – This proposed authority is overly broad.** [Page 4, Line 30]

The bill would now authorize the State Water Board to “take additional action as may be appropriate for adequate administration and operation of the fund and provision of direct water bill assistance.” This overly broad proposal should be deleted.

**6) Audit of Systems Receiving Program Funding – This proposal should be clarified.** [Page 7, Line 1]

Under the new version of the bill, the State Water Board would be required to include in guidelines a provision regarding the audit of eligible systems receiving funds under the chapter. The scope of this audit should instead be limited to the system's local administrative role in the State's water rate assistance program (i.e., not just anything to do with the system).

**7) Affordability Evaluation - This proposal is overly broad.** [Page 7, Line 25]

The affordability evaluation language should be narrowed to propose evaluation of remaining **water** affordability issues and relevant (as opposed to available) information.

**8) Administrative Procedure Act (APA) – The rules of the road for this program should be developed through emergency regulations. [Page 10, Lines 4 and 10]**

The prior version of the bill proposed the development of guidelines but also would have authorized the adoption of emergency regulations. The new version would exempt this program from the APA altogether and delete the proposed emergency regulation authority. It would rely solely on the adoption of guidelines by the State Water Board. This is a major program with little public process proposed for its development. The Coalition suggests that the implementing agency be required to develop and approve emergency regulations.

**9) Affordability Pilot Projects – This bill should not propose to use water rate assistance funding for pilot projects. [Page 10, Line 28]**

The affordability pilot projects proposal should be deleted. This bill should be focused on water rate assistance. Assistance for water use efficiency projects can be funded with climate/drought resilience state budget funding separate from this program.

**10) Discontinuation of Service – Part of this proposal is workable. [Page 12, Line 1]**

The enactment of SB 998 (Dodd) in 2018 set requirements on the discontinuation of service by public water systems that supply water to **more than 200 connections**. For example:

(a)(1)(A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than **seven business days** before discontinuation of residential service for nonpayment, an urban and community water system shall **contact** the customer named (...) on the account by telephone or written notice. (...) [Ca. Health and Safety Code Section 116909, emphasis added.]

Under existing law, that contact must include an offer to discuss options, including an alternative payment schedule. SB 222 now proposes for **all sizes of systems** that a **30-day** notice of the ability to enroll in a payment plan would be required before disconnection could occur. Expanding the SB 998 requirements to cover systems of 200 or fewer connections is not an issue. However, the timing on the notice provision should remain at seven business days consistent with SB 998.

**11) Enforcement – The brand new proposed enforcement provisions at Page 12 do not fit with a low-income assistance program and should be deleted and replaced.**

The June 23 version adds proposed enforcement provisions to SB 222 for the first time – even though the bill went through four policy committees in 2021.

**A) Attorney General** - The first proposal is that the Attorney General be authorized to take an action. The Coalition suggests that enforcement by the implementing state agency should be sufficient for a financial assistance program.

- B) At-Risk Systems** – The bill proposes to have a system that did not establish or maintain a compliant water rate assistance program be deemed an at-risk system for purposes of the mandatory consolidation authority in existing law. As noted above in the discussion about Proposition 218 and the need for a State program, the system should be helping to administer the State’s program – not creating a local water rate assistance program. Further, consolidation of a sustainable system that is providing safe drinking water is not an appropriate remedy for noncompliance with a State water rate assistance program.
- C) Qualified Finance** – The bill proposes to have the State agency qualify awards of financial assistance on the establishment of a low-income assistance program. This language is unclear and ties again to the problematic proposed creation of assistance programs at the local level – instead of on a program at the State level with a local pass through of money from the Fund.

ACWA will suggest an amendment on this new issue.

For these reasons, the Coalition has an Oppose-Unless-Amended position on SB 222. We appreciate your consideration of these concerns. If you would like to discuss the suggestions, please contact ACWA Deputy Executive Director for Government Relations at [CindyT@acwa.com](mailto:CindyT@acwa.com).

Sincerely,

Cindy Tuck  
Deputy Executive Director for  
Government Relations  
Association of California Water Agencies

Larry McKenney  
General Manager  
Amador Water Agency

David Coxey  
General Manager  
Bella Vista Water District

Rosario Cortes Kapeller  
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California Special Districts Association

Anthony Goff  
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Calleguas Municipal Water District

Tony Stafford  
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Scotts Valley Water District

Anjanette Shadley  
Assistant General Manager  
Western Canal Water District

John A. Thiel, P.E., M.B.A  
General Manager  
South Tahoe Public Utility District

Attachment

cc: Mr. Les Spahn, Legislative Director, Office of Senator Bill Dodd

**From:** June Langhoff junelanghoff@gmail.com  
**Subject:** CA water board definitions of beneficial use  
**Date:** August 4, 2022 at 9:13 PM  
**To:** MaryAnn & Pauline Clare clareross49@gmail.com

---



I think I found a useful document. Here's a section that might pertain to us:

## BENEFICIAL USE DEFINITIONS

Wildlife Habitat (WILD) - Uses of water that support terrestrial ecosystems including, but not limited to, preservation and enhancement of terrestrial habitats, vegetation, wildlife (e.g., mammals, birds, reptiles, amphibians, invertebrates), or wildlife water and food sources.

Variations:

R5: Wildlife Habitat (WILD) - Uses of water that support terrestrial or wetland ecosystems including, but not limited to, preservation and enhancement of terrestrial habitats or wetlands, vegetation, wildlife (e.g., mammals, birds, reptiles, amphibians, invertebrates), or wildlife water and food sources.

R6: Wildlife Habitat (WILD) - Beneficial uses of waters that support wildlife habitats including, but not limited to, the preservation and enhancement of vegetation and prey species used by wildlife, such as waterfowl.

[https://www.waterboards.ca.gov/about\\_us/performance\\_report\\_1617/plan\\_assess/docs/bu\\_definitions\\_012114.pdf](https://www.waterboards.ca.gov/about_us/performance_report_1617/plan_assess/docs/bu_definitions_012114.pdf)

June Langhoff  
cell: 831.295.4537  
[junelanghoff@gmail.com](mailto:junelanghoff@gmail.com)

Spring Lakes Park has an interesting history with the City of Scotts Valley

We were the first entity to sign up with the, then, brand new Recycled water program that the city of Scotts Valley initiated!

And, as I remember, for a period of 20 years!! Imagine that the tiny community of Spring Lakes, a mobile home park, a general partnership of those, 55 and older, were, not only the first to sign up, but the only one, at that time.

Eventually, Pasatiempo Golf Course, became your customer, and of course, quite a priority!!

I wish to remind the city of Scotts Valley Water Board, that our community is primarily made up of senior citizens, who shop, dine out, buy their groceries, and visit their doctors here locally!

We support our local library, our Senior center, we play Bocce ball, and go the the movies here.

All we ask in return, is to give us a equitable, reasonable price for recycled water to continue to fill our small lakes, come see them, sometimes! This, in turn, benefits our city! Scotts Valley!

Our lakes, very small, support a vast array of birds, is a sanctuary for white egrets, plus many others! Birdwatchers with cameras visit Spring Lakes often!

Sincerely, Ann Perkins

*A 25 year resident in Spring Lakes*

# Threatened/endangered bird species that visit Spring Lakes Park, Scotts Valley CA

Submitted by June Langhoff, Spring Lakes Park resident, 3/19/22

Of the 314 North American birds identified by Audubon as either climate threatened or climate endangered, 38 commonly occur in Spring Lakes Park, Scotts Valley. Birds classified as Climate Threatened are projected to lose more than 50 percent of their current range by 2080 if global warming continues at its current pace. Birds designated Climate Endangered are projected to lose more than 50 percent of their current range by 2050.

One species (Peregrine Falcon) is listed as Endangered by the State of California.

I've been monitoring the Spring Lakes Park bird population daily for the past three years and reporting sightings to eBird (an online database sponsored by The Cornell Lab of Ornithology and the National Audubon Society).

## References:

California's climate threatened and endangered birds | Audubon California  
<https://ca.audubon.org/conservation/californias-climate-threatened-and-endangered-birds>

The California Biologist's Handbook: California Fish and Game Code  
<https://biologistshandbook.com/regulations/state-regulations/state-fish-and-game-code/>

endangered bird species-CA  
<https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=84008&inline>

eBird sighting lists for Spring Lakes Park seen by June Langhoff (3 years of data)  
<https://ebird.org/lifelist/L799298>

Attached:

**SPRING LAKES PARK ENDANGERED/THREATENED BIRD SURVEY**

prepared by June Langhoff, 3/19/22

**SPRING LAKES PARK ENDANGERED/THREATENED BIRD SURVEY**

prepared by June Langhoff, 3/19/22

Species	Audubon threatened	Audubon endangered	California endangered
Allen's Hummingbird		x	
American Kestrel	x		
Band-tailed Pigeon	x		
Barn Owl	x		
Black-crowned Night Heron		x	
Black-throated Gray Warbler	x		
Brewer's Blackbird	x		
Brown Creeper		x	
Bufflehead		x	
Common Goldeneye	x		
Common Merganser	x		
Common Raven	x		
Double-crested Cormorant	x		
Greater White-fronted Goose	x		
Hairy Woodpecker	x		
Hermit Thrush	x		
Hooded Merganser		x	
House Finch	x		
Hutton's Vireo		x	
Mallard		x	
Merlin		x	
Northern Shoveler		x	
Pacific-slope Flycatcher	x		
Peregrine Falcon	x		x
Pine Siskin	x		
Purple Finch	x		
Pygmy Nuthatch		x	
Red Crossbill		x	
Red-breasted Nuthatch	x		
Red-breasted Sapsucker	x		
Ring-necked Duck		x	
Rufous Hummingbird		x	
Spotted Sandpiper	x		
Townsend's Warbler	x		
Tree Swallow	x		
Violet-green Swallow	x		
Western Bluebird	x		

Western Tanager	x			
TOTAL:	25	13	1	
sources:				

## Amid drought, Santa Cruz County water managers describe challenges

By Jesse Kathan

July 29, 2022



*Loch Lomond reservoir, which supplies water to the city of Santa Cruz, was 90% full in late March and about 86% full as of Friday, according to the city water department. (City of Santa Cruz)*

**SANTA CRUZ >>** Santa Cruz County’s water agencies need more cooperation, a plan to recycle more wastewater and a united approach to adapt to drought, a recent Santa Cruz County Civil Grand Jury report concluded.

Since the report’s release this spring, water agency leaders said that some collaboration is already happening. Some water leaders added that the report’s recommendations have the potential to complicate an already complex system of water agencies — and it might not solve future water-scarcity problems.

Volunteers on the civil grand jury investigate public agencies, produce reports and make recommendations that require responses from elected leaders and agencies.

The civil grand jury found:

- Collaboration between water districts is “limited and narrow in scope.”

- No water districts or groundwater sustainability agencies have the money or resources to develop a drought plan for the entire county.
- There is no county-level agency charged with building drought-resilience projects across the county.

The civil grand jury recommended that by Dec. 31:

- The groundwater management agencies, the San Lorenzo Valley Water District, the Scotts Valley Water District, the City of Santa Cruz Water Department and the Soquel Creek Water District jointly publish a drought-resilience action plan.
- The county’s water districts jointly publish a plan for the full use of wastewater for water recycling. Full use of wastewater for water recycling should start by 2026.
- The boards of the Santa Margarita Groundwater Management Agency and the Mid-County Groundwater Management Agency extend their charters to include plans for drought resilience.

The report states that the county’s limited water resources and fractured leadership have led to an environment where water districts sometimes focus more on maintaining water supply for their customers rather than addressing the needs of the county as a whole.

“During interviews on district priorities, phrases such as ‘protect our districts’ surfaced. However, water in Santa Cruz County need not be viewed as a zero-sum game,” the civil grand jury wrote. “Unfortunately, there is no oversight agency or organizational structure in place to resolve conflicts and ensure that outcomes serve the greater good of the entire county,”.

The civil grand jury requires the county’s water agencies and groundwater sustainability agencies boards, as well as the city councils of Santa Cruz and Watsonville, to formally respond to the report’s findings and recommendations by Aug. 22.

### **Water supply and demand**

The county uses about 17 billion gallons of water each year. About half of that water is used for agriculture. The remainder is used by residents, businesses, government and others.

Santa Cruz County is in “severe” drought, according to the National Integrated Drought Information System. January to June was about 16 inches of rain short of “normal” rain in that period, making it the second driest January to June in the past 128 years, the drought information system reported.

Climate change has led to longer and more severe droughts and increased odds for heavier and more infrequent storms, according to research from UCLA and other institutions. That variability makes the flow in rivers and creeks less predictable, and makes creating plans to store surface water more difficult, the civil grand jury report stated.

About 80% of the county's water comes from underground aquifers. Other water comes from the San Lorenzo River and coastal creeks. Decades of climate change and heavy water use have made both sources less reliable, according to the report.



*A map shows the major water sources within Santa Cruz County. Unlike much of California, all of the county's water is sourced from local rivers, streams and aquifers. Most California counties receive water from other counties. (Santa Cruz County Civil Grand Jury)*

Decades of groundwater use have depleted the Santa Cruz County's three main aquifers. Two aquifers, the Santa Cruz Mid-County Basin and the Pajaro Valley Basin, are in "critical overdraft," according to the California Department of Water Resources. As the groundwater has been extracted, saltwater from the coast has seeped inward, threatening the water quality of the aquifers.

Following a 2014 state law that requires groundwater to be sustainably managed, the Santa Margarita Groundwater Management Agency, the Mid-County Groundwater Management Agency, and the Pajaro Valley Water Management Agency must plan to maintain a stable source of groundwater.

In addition to the groundwater sustainability agencies, the county's water is managed by five major water districts or departments, dozens of small private water systems and thousands of private wells. Each agency has its own rights to pump specific amounts of groundwater or divert a specific amount of surface water.

**Table 1. Water Sources and Water Agencies**

Entity	Population	Annual Usage (Billion Gallons)	Water Source (percentage)	
			Ground	Surface / (Other)
Santa Cruz City Water Department	97,417	2.7	5	95
Watsonville City Water Service	65,966	2.3	100	0
Soquel Creek Water District	40,632	1.1	97	3
San Lorenzo Valley Water District	23,700	0.6	53	47
Scotts Valley Water District	10,709	0.4	87	13 (recycled)
Other Residential Water Districts	16,017	0.8	80	20
Private Wells	21,000	0.8	100	0
Total Residential / Commercial	275,441	8.8 Billion Gallons	6.2 Billion Gallons	2.6 Billion Gallons
Pajaro Agriculture		7.2	92	17 (recycled)
Mid- and North County Agriculture		0.8	90	10
Total Agricultural Billion Gallons		8.0	7.5	0.5
Total Annual Surface and Groundwater Usage Billion Gallons		16.8	13.7	3.1

A table from the report shows who manages Santa Cruz County's water. (Santa Cruz County Civil Grand Jury, Pajaro Valley Water Management Agency)

Within the past decade, the districts have started to work together to share water when it is plentiful. For example, in 2016, San Lorenzo Valley Water District and Scotts Valley Water District completed an intertie that allows the two districts to share water when one is in need.

Another example is the Pure Water Soquel Conveyance Project. To help block saltwater intrusion into the Santa Cruz Mid-County Groundwater Basin, construction recently began on a project to inject up to 500 million gallons of purified wastewater each year into coastal wells. The injected treated fresh water is planned to block saltwater from seeping into the wells.

Wastewater will come from the City of Santa Cruz wastewater treatment plant through new underground pipes to a new water purification plant in Live Oak. Work started in December on the

plant, and crews have been installing pipes under city and county roads for months. Soquel Creek Water District will operate the injection wells.



*Workers install a water pipe on Broadway from Riverside Avenue to Clay Street in Santa Cruz in February as part of the Pure Water Soquel Conveyance Project. (Brian Phan — Santa Cruz Local)*

## **Water leaders react**

Water district leaders said this month that a centralized drought plan isn't as easy as it sounds. They also said it may not solve the county's water supply problems.

Piret Harmon, general manager of the Scotts Valley Water District, said a county-level water agency would only add another level of bureaucracy to an already complex system.

"I wish it was simpler," Harmon said. "It's not, so we just have to work within the existing framework and make the best out of it."

"There's been collaboration for decades," said Brian Lockwood, general manager of the Pajaro Valley Water Management Agency. The agency, which stewards the Pajaro Valley groundwater basin, spans across Santa Cruz, Monterey and San Benito counties. That makes a more centralized water system difficult to imagine, Lockwood said.

"When the report from the Grand Jury says there needs to be a Santa Cruz County water agency, you know they're not thinking about Pajaro, where we have to work equally well with Monterey County Water Resource Agency and Monterey County water purveyors," he said.

City of Santa Cruz Water Director Rosemary Menard agrees that robust collaboration already exists within the county.

“We’ve had for years really a very motivated self interest in working together to find regional solutions,” said Menard. “We know that no one is coming over the hill to save us.”

While fragmented water rights can make creating a centralized drought plan more challenging, Menard said many county residents appreciate the local control that comes with maintaining a smaller system.

“There’s that famous old saying that’s attributed to Mark Twain— ‘whiskey is for drinking, water is for fighting,’” said Menard. “Anybody who thinks we could wave a magic wand and tell people they’re not going to control their water rights anymore — that’s not gonna work.”

The City of Santa Cruz is in the process of altering its water rights to allow more flexibility in when and how the city uses water from the San Lorenzo River. The updated rules would allow the city to share water with the Soquel Creek, Scotts Valley, and San Lorenzo Valley water districts during periods of heavy flow.

The rules await approval from the State Control Water Board.

### **Some consolidation possible**

While local water leaders do not foresee a county-wide water district, some small water systems are consolidating with larger ones. That’s due in part to a state law passed in 2021 that requires small water suppliers to proactively plan for drought.

The San Lorenzo Valley Water District merged with Lompico Water District in 2016. Now, they’re in the process of merging with Big Basin Water Co.

Harmon, the Scotts Valley Water District manager, foresees more consolidation across the county as small water systems confront the cost of replacing aging equipment. “I think they need to make a tough decision,” Harmon said of water agency consolidation.

Scotts Valley Water District faces its own tough decision, as the district considers partnerships with the neighboring Soquel Creek Water District or the City of Santa Cruz Water District. Last year, Scotts Valley and San Lorenzo Valley water districts considered a merger to operate more efficiently. But the idea faced pushback from some San Lorenzo Valley residents who feared that Scotts Valley development would consume a large amount of water.

Harmon said that attitude is a roadblock in creating a more interconnected water system. “I see a lot of pointing fingers,” she said. “I see a lot of language like, ‘Don’t come and take our water.’ So that is for me the biggest challenge.”

After the proposed merger was rejected by San Lorenzo Valley Water District’s board, Harmon said Scotts Valley Water is still exploring how to keep water supply stable and rates low in the coming years.

## **Wastewater recycling**

Menard sees the possibility for wastewater recycling in the City of Santa Cruz to increase, but she doesn’t think the civil grand jury’s request for a plan to use all available wastewater by 2026 is feasible.

“There’s no way that resource can be fully utilized in four years,” Menard said. “The process of design, construction, environmental review, permitting, all takes a long time.” Depending on future water conditions and the success of aquifer recharge, the county may not require all of the city’s wastewater to be recycled to meet its water needs, Menard said.

Lockwood, the general manager of the Pajaro Valley Water, works with Watsonville city leaders to recycle 3,000 acre-feet of wastewater each year for farm irrigation in coastal Santa Cruz and Monterey counties. “We’re pretty much using all of the water that’s available for recycling throughout the summer, and then we use a portion of it in the wintertime,” he said.

A Pajaro Valley Water basin management plan from 2014 explored the possibility of expanding water recycling during the winter for injection into the groundwater basin. Costs prompted the project to be deprioritized in favor of other efforts.

“I think to some extent, we’ve checked that box by looking at how we can utilize all the recycled water available to us,” Lockwood said. “When we do the next evaluation of our plan within the next five years, I think we’ll take a close look at the status of the basin and determine if any additional projects are necessary.”

The agency is focusing on projects it hopes to complete by 2025 that include:

- Expanding the amount of water stored in College Lake from 1,000 acre-feet to 1,700 acre-feet, and building a new pipeline to connect the lake to its agricultural distribution system.
- Further developing facilities that divert fresh water from Harkins Slough that would otherwise flow into Monterey Bay into flooded basins that allow water to percolate into the aquifer. Similar facilities are being developed in Struve Slough.

- Constructing a new pipeline that will allow more farmers to use recycled water and water recovered from the slough facilities.

### **Read more about water**

- Does more housing mean more water demand in Santa Cruz County? Feb. 15, 2021
- Water quality, rates could rise with Big Basin, San Lorenzo Valley Water merger – Jan. 24, 2022

*Learn more about Santa Cruz Local and how we are funded. Santa Cruz Local is supported by members, major donors, sponsors, and grants for the general support of our newsroom. Our news judgments are made independently and not on the basis of donor support.*

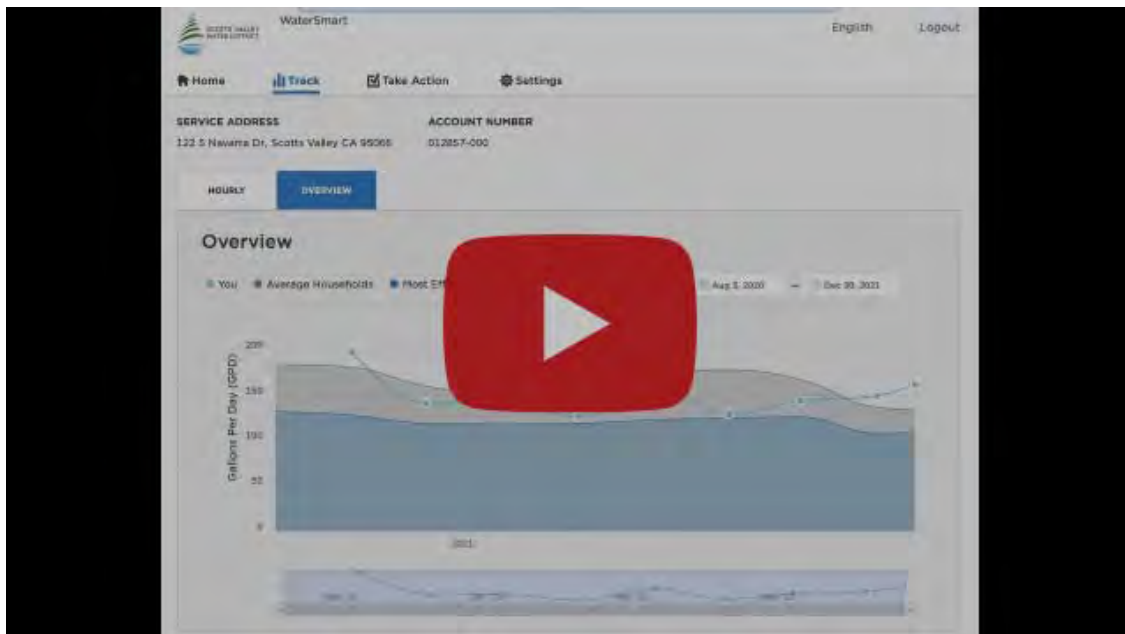


# AUGUST 2022



## Explore WaterSmart with new tutorial video

Scotts Valley Water District customers can take control of their water use by signing up for [WaterSmart](#). This platform provides the tools to understand and manage water use. Customers can view their hourly usage history, set up usage and high bill alerts, compare their consumption to similar households and more! Check out this quick 2-minute video that introduces the WaterSmart platform by walking customers through the registration process and basic features.



Scotts Valley Water District WaterSmart video tutorial.

## See you at the Art, Wine & Beer Festival

10 - 9

Scotts Valley Water District staff will be participating in the Art, Wine & Beer Festival



cold water.

The Art, Wine & Beer Festival will be held at Skypark on Saturday and Sunday, Aug. 20-21. Learn more and get tickets on the [Scotts Valley Chamber website](#).

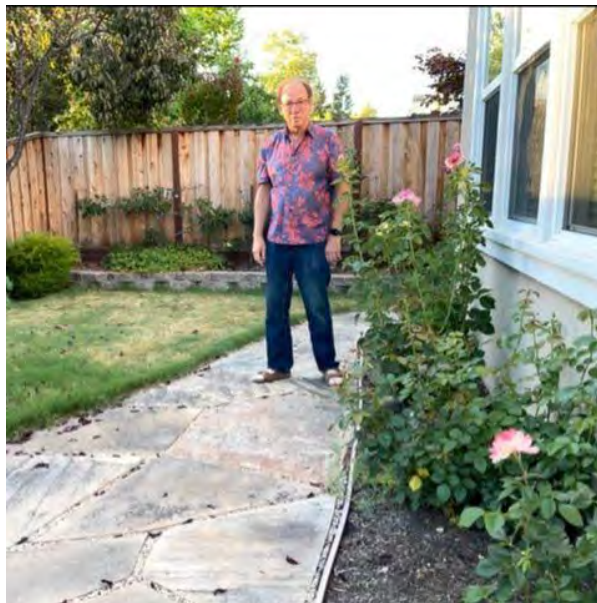
Hope to see you there!

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## July Water Saving Challenge Winner: Robert Hull

Scotts Valley Water District customer Robert Hull is the July winner of the Water Savings Challenge. Robert took deliberate steps to reduce his water use by more than 33% including:

- Using an irrigation controller to better manage water use
- Replacing shower heads with more efficient fixtures
- Replaced a failed hot water recirculation pump with a new model that automatically adjusts to usage patterns



Before the Water Saving Challenge began, Robert was already interested in making more water efficient choices at his home. He had replaced the clothes washer and dishwasher with more efficient units, put in drought-tolerant UC David Verde Buffalo Grass that only needs to be irrigated nine minutes a week, installed drip irrigation in the garden, enhancing his irrigation controller to take into account weather forecast and rainfall, fixing toilet leaks and using a motion-activated kitchen faucet.

There are four more chances to win the Water Saving Challenge this summer, including the grand prize valued at \$500. [Log into WaterSmart to participate](#).

The Recycled Water Fill Station continues to provide free recycled water for irrigation purposes to Scotts Valley Water District customers and also to those City of Scotts Valley residents who are not district customers.

While at the Recycle Water Fill Station, stop by the District Pop-Up Station and obtain free water-saving devices, enroll in WaterSmart and connect with District staff. Hours are 9 a.m. to 1 p.m. Saturdays. Saturdays (except 8/20, when the staff is waiting for you at the Art, Wine & Beer Festival).



The Station is located on Kings Village Road.

## Get tips to protect your home from wildfire



Extreme drought conditions not only affect water use, but also contribute to heightened wildfire risk. Increased fire danger poses a risk to communities prone to wildfires. How can Scotts Valley Water customers protect their homes from wildfire?

Save our Water — in partnership with the Department of Forestry and Fire Protection (CalFire) and the

Department of Water Resources — [developed tips on how to protect homes](#) from wildfires while also conserving water.

Some tips include creating a defensible space around the home and transforming lawns to fire-safe and water-wise landscaping to reduce the risk of damage during a wildfire.

**Read more tips to protect your home from a wildfire.**