



**REVISED
BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
September 5, 2019**

MISSION STATEMENT: Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

Notice is hereby given that a meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, September 5, 2019 at 6:30 p.m.**, SLVWD, 13057 Highway 9, Boulder Creek, CA 95006 and by teleconference at 2017 American Dr., Lago Vista, TX 78645.

In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requests that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting.

Agenda documents, including materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents are also available on the District website at www.slvwd.com subject to staff's ability to post the documents before the meeting.

1. Convene Meeting/Roll Call

2. Additions and Deletions to Agenda:

Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).

3. Oral Communications:

This portion of the agenda is reserved for Oral Communications by the public for items which are not on the agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda.

Any person may address the Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, communication must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.

Any Director may request that a matter raised during Oral Communication be placed on a future agenda.

4. Unfinished Business:

Members of the public will be given the opportunity to address each scheduled item prior to Board deliberations. The Chairperson of the Board may establish a time limit for members of the public to address the Board on agenda.

- a. BOARD POLICY MANUAL UPDATE
Discussion and possible action by the Board regarding updates to the Board Policy Manual.
- b. REVISED FALL CREEK FISH LADDER CONTRACT
Discussion and possible action by the Board regarding the revised Fall Creek Fish Ladder contract for concept level design.
- c. SCHEDULED RATE INCREASE
Discussion by the Board regarding the scheduled rate increase.
- d. BOARD MEMBER COMMITTEE ASSIGNMENTS
Discussion and possible action by the Board regarding possible changes to the Board Member Committee assignments.

5. New Business:

Members of the public will be given the opportunity to address each scheduled item prior to Board deliberations. The Chairperson of the Board may establish a time limit for members of the public to address the Board on agenda items.

- a. DRAFT STRATEGIC PLAN FROM B. FULTZ
Discussion and possible action by the Board regarding a draft Strategic Plan prepared by B. Fultz
- b. 2018/19 ANNUAL REIMBURSEMENT OF DISTRICT EMPLOYEES
Discussion and possible action by the Board regarding the 2018/19 annual reimbursement of District employees.

6. Adjournment

Certification of Posting

I hereby certify that on August 30, 2019 I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California and 2017 American Dr., Lago Vista, TX 78645, said time being at least 72 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on August 30, 2019.

Holly B. Hossack
District Secretary

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: 2019 Board Policy Manual Proposed Changes
DATE: September 5, 2019

Recommendation:

It is recommended that the Board of Directors review this memo and discuss possible action for updating the 2019 Board Policy Manual.

Background

The District's 2019 Board Policy Manual was adopted by the Board on December 13, 2018, Resolution No. 22 (18-19). The Board Policy Manual was revised and adopted on January 17, 2019, Resolution No. 26 (18-19). The Board Policy Manual was again revised and adopted on February 7, 2019, Resolution No. 27 (18-19).

After review Director Fultz believes that the 2019 Board Policy Manual is again in need of revision and proposes the following changes:

- It should be stated that the first and third Thursdays of each month may not always hold Board meetings. (9. Regular Time and Place of Meetings)
- A change in meeting stipend for special meetings. (15. Meeting Stipends)
- Additional requirements the Board must undertake prior to approval of defense for a Director if such defense involves an alleged Conflict of Interest. (23. Directors' Legal Liabilities)

Exhibit A - copy of 2019 Board Policy Manual with redline changes

SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 7 (19-20)

SUBJECT: 2019 BOARD POLICY MANUAL

WHEREAS, on December 13, 2018, the Board of Directors of the San Lorenzo Valley Water District adopted Resolution No. 22 (18-19) Board of Directors Policy Manual 2019; and

WHEREAS, on January 3 and 17, 2019 the Board of Directors reviewed the Policy Manual and agreed to revisions, adopting Resolution No. 26 (18-19); and

WHEREAS, on February 7, 2019 the Board of Director again reviewed the Policy Manual and agreed to revision, adopting Resolution No. 27 (18-19); and

WHEREAS, the proper functioning of the District Board and Board Meetings is critical to proper functioning of the District; and

WHEREAS, an adopted set of rules and procedures assist in the proper functioning of the Board; and

WHEREAS, the Board of directors as a whole, agrees with the Policy Manual and agrees to follow said Policy Manual;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that the Board adopts and approves the revised 2019 San Lorenzo Valley Water District Board of Directors Policy Manual.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 5th day of September 2019, by the following vote of the members thereof:

AYES:
NOES:
ABSTAIN:
ABSENT:

Holly B. Hossack
District Secretary

EXHIBIT A

SAN LORENZO VALLEY WATER DISTRICT



BOARD OF DIRECTORS POLICY MANUAL 2019

ADOPTED

January 17, 2019

RESOLUTION NO. 26 (18-19)

i

MODIFICATIONS TO POLICY MANUAL SINCE LAST FULL BOARD APPROVAL

TABLE OF CONTENTS

	<u>Page</u>
1. Mission Statement.....	1
2. Authority of Board.....	1
3. Code of Ethics and Conduct.....	2
4. Ethics Training	4
5. Governing Laws.....	4
6. Elections of Officers	4
7. Role of Board Members (Powers, Purposes, Duties & Functions).....	4
8. Role of Individual Directors.....	6
9. Board of Directors Meetings.....	7
10. Technological Conferencing	11
11. President.....	12
12. Vice-President.....	13
13. Minutes	13

14.	Committees	13
15.	Meeting Stipends	16
16.	Training, Education Programs, Conferences and Meetings.....	16
17.	Expenditure Reimbursements	18
18.	Personnel Policies	19
19.	Conflict of Interest Code.....	21
20.	Resignations.....	21
21.	Vacancies	21
22.	Inconsistent, Incompatible and Conflicting Employment or Activities.....	22
23.	Directors' Legal Liabilities.....	22
24.	Investment Policy	22
25.	Annual Disclosure of Reimbursement.....	23
26.	General Provisions.....	23
27.	Annual Review	23

1. MISSION STATEMENT

"Our mission is to provide our customers and all future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District".

Adopted by the Board of Directors of the San Lorenzo Valley Water District on June 2, 2000.

The mission of the San Lorenzo Valley Water District will be accomplished through the implementation of the following objectives:

OBJECTIVE I; STAFFING

Provide an efficient and adequate staff of employees and consultants, dedicated to the District mission and responsive to the Board. Provide staff and consultants with proper resources.

OBJECTIVE II; COMMUNICATIONS

Establish and maintain an environment that encourages the open exchange of ideas and information between Board members, staff and the public that is positive, honest, concise, understandable, responsive and cost-efficient.

OBJECTIVE III; EDUCATION

Develop and maintain comprehension and competence regarding issues that come before the Board of Directors and Staff. Ensure the District's customers are informed regarding the benefits of safe operations, proper claims procedures, District operations and conservation.

2. AUTHORITY OF BOARD

- A) The Board of Directors shall act only at regular, regularly adjourned, or special meetings, as provided by State Law.

- B) Individual Directors shall have no power to act for the San Lorenzo Valley Water District, or the Board of Directors, or to direct District staff, except as authorized by the Board of Directors.
- C) Until a quorum is present there can be no meeting of the Board of Directors. The presence of a minimum of 3 Board members is required to constitute a quorum of the Board of Directors.

3. CODE OF ETHICS AND CONDUCT

The Board of Directors of the San Lorenzo Valley Water District is committed to providing excellence in legislative leadership that results in providing the highest quality services to its constituents. The Board of Directors is expected to maintain the highest ethical standards, to follow District policies and regulation, and to abide by all applicable local, state and federal laws. Board of Directors conduct should enhance the integrity and goals of the District. In order to assist in the governing of behavior between and among members of the Board of Directors, the following rules shall be observed:

- A) The dignity, style, values and opinions of each Director shall be respected.
- B) Responsiveness and attentive listening in communications is encouraged.
- C) The needs of the District's constituents shall be the priority of the Board of Directors.
- D) The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to staff members of the District.
- E) Directors should commit themselves to emphasizing the positive.
- F) Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged.
- G) Differing viewpoints are healthy in the decision-making process. Individual Directors have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action and not to creating barriers to the implementation of said action.
- H) Directors should practice the following procedures:
 - 1. In seeking clarification on informational items, Directors may directly approach the District Manager to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.

2. In handling complaints or inquiries from residents and property owners of the District, said complaints should be referred to the District Manager and may be followed up by the Board of Directors.
 3. In handling items related to safety concerns, hazards should be reported to the District Manager. Emergency situations should be dealt with immediately by seeking appropriate assistance.
 4. In seeking clarification for policy-related concerns, especially those involving personnel, legal action, land acquisition, sale or development, finance, and programming, said concerns should be referred directly to the District Manager.
- I) When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Manager.
 - J) The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.
 - K) When responding to constituent requests and concerns at board meetings, the Board President's discretion determines the amount of time for comments. Specific questions or concerns will be directed to the District Manager for future action by the Board or staff. Directors should be courteous, responding to individuals in a positive manner and routing their questions through appropriate channels and to responsible management personnel.
 - L) Directors should develop a working relationship with the District Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.
 - M) Directors should function as a part of the whole. Issues should be brought to the attention of the Board of Directors as a whole, rather than to individual members selectively.
 - (N) Members' interaction with public, press or other entities must recognize the limitation of any Board member to speak for the Board except to repeat explicitly stated Board decisions, while respecting the right of Board members to express individual opinions.
 - O) Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
 - P) The Board will further inform itself, individually and collectively, through ongoing outreach to determine community wishes and through continuing education on issues relevant to the District.
 - Q) Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

4. ETHICS TRAINING

Pursuant to California Government Code section 53234 et seq. or as amended, all Directors shall receive two (2) hours of training in general ethics principles and ethics laws relevant to public service within one (1) year of election or appointment to the Board of Directors, and at least once every two (2) years thereafter. All ethics training shall be provided by entities whose curriculum has been approved by the California Attorney General and the Fair Political Practices Commission. The District Manager and any other employee(s) of the District designated by the Board of Directors shall also receive the ethics training specified herein. The District shall maintain records indicating the name of the entity that provided the training and the dates ethics training was completed. Records shall be maintained for a period of at least five (5) years after the date on which the training was received. These records are public records subject to disclosure under the California Public Records Act.

5. GOVERNING LAWS

The Board of Directors shall comply with and shall be guided by applicable provisions of Federal laws; State laws, including the Water Code, Government Code, Section 1090 of the Government Code, Elections Code and Public Resources Code; this Policy Manual, and the rules and regulations of the District as established by the motions, resolutions and ordinances enacted by the Board of Directors. Motions, resolutions and ordinances may be enacted by the Board in accordance with Water Code section 30523 or as amended.

6. ELECTION OF OFFICERS

There shall be two (2) officers: a president and a vice president, who shall be members of the District Board of Directors. Election of officers shall be held at a Board of Directors meeting in December of each calendar year. Officers will serve for a one (1) year term. Elections will conform to the applicable provisions of this Policy Manual.

7. ROLE OF THE BOARD POWERS, DUTIES AND FUNCTIONS

A) POWERS

The Board of Directors is responsible for the establishment of policy and general control of the District. This broad authority shall be exercised in accordance with all applicable federal, state and local laws and regulations. The Board of Directors may execute any powers delegated by law to the District, and shall discharge any duty imposed by law upon the District.

The enabling codes established by the California State Legislature empowers the Board of Directors to have broad authority and flexibility in carrying out financial programs and activities which meet its individual needs, provided these programs or activities are not in conflict with, inconsistent with, or preempted by law.

B) DUTIES

The primary duties of the Board of Directors are as follows:

1. Take action at legal meetings.
2. Establish and periodically review written policies for District operation and administration.
3. Be responsible for all District finances.
 - a. Approve fiscal budget.
 - b. Monitor the budget spending.
4. Set rates, fees and charges for District services.
5. Personnel
 - a. Hire and discharge General Manager and Legal Counsel.
 - b. Annually evaluate the General Manager and Legal Counsel.
6. Establish written policy on how Board of Director's Meetings are conducted.
7. Review and revise the Master Plan for the District.
8. Ratify committee appointments made by the President.
9. Establish Director compensation limits.

C) FUNCTIONS

The powers and duties of the Board of Directors include governance, executive and quasi-judicial functions. These relate to the Board's own operations as a governing body and to all functions of the District.

1. GOVERNANCE FUNCTIONS

To fulfill its responsibility, the Board is committed to establishing policies to govern District activities. The Board of Directors shall consider and approve or disapprove matters submitted to it by a Director, Staff or the public. The Board of Directors shall prescribe rules for its own governance which are consistent with its "enabling code" or by Federal or State Laws and regulations.

2. EXECUTIVE FUNCTIONS

The Board of Directors is authorized to delegate any of its powers and duties to an officer or employee of the District. The Board of Directors; however, retains ultimate responsibility over the performance of those powers or duties so delegated.

3. QUASI-JUDICIAL FUNCTIONS

The Board of Directors desires that public complaints be resolved at the lowest possible administrative level. The method of resolving public complaints shall be as follows:

- a. The individual with a complaint shall first discuss the matter with the District Manager. If this individual registering the complaint is not satisfied with the disposition of the complaint by the District Manager, said complaint may be filed with the Board of Directors.
- b. The Board of Directors may consider the matter at a subsequent regular meeting or call a special meeting. The Board of Directors will expeditiously resolve the matter.
- c. This policy in no way prohibits or intends to deter a member of the public from appearing before the Board of Directors to present a verbal complaint or statement in regards to actions of the Board of Directors, District programs or services, or impending considerations of the Board of Directors.

8. ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for the District. Apart from their normal function as a part of this unit, individual Directors may not commit the District to any policy, act or expenditure unless duly authorized by the Board of Directors. Nor may an individual Director direct staff to perform specific duties unless duly authorized by the Board of Directors. Directors do not represent any factional segment of the constituency, but are, rather, a part of the body which represents and acts for the constituency as a whole.

- A) Each Director has the right to place items on a subsequent Board of Directors Meeting, subject to scheduling by the Board president. The deadline for submittal of an agenda item by a Director shall be the preceding Wednesday at 5:00 p.m. before the scheduled Board of Directors meeting date at the office of the District Secretary. Agenda item requests received after the submittal deadline for a specific agenda will be added to the next following regularly scheduled agenda, subject to scheduling by the Board president.

- B) Directors will make every effort to attend assigned Board of Directors and Committee meetings:
 - 1. To prepare adequately for each such meeting;
 - 2. To observe the rules of decorum as set forth herein; and
 - 3. Whenever any individual Directors will be absent or late for a Board of Directors or Committee meeting said Director shall notify the District Secretary or Board President at the earliest opportunity.
- C) When requesting information from staff, Directors shall contact the District Manager. When responding to constituent requests and concerns, Directors should reroute such inquiries to the District Manager.
- D) Each Director shall decide individually on what contact information will be released by District staff to the general public. In order to accomplish this in an orderly and consistent manner, each Director shall provide the District Secretary with a completed and signed Director Contact Authorization Form. Directors shall be responsible for any and all updates and amendments to said Director Contact Authorization Form.

9. BOARD OF DIRECTORS MEETINGS

A) REGULAR TIME AND PLACE OF MEETINGS

Regularly scheduled meetings of the Board of Directors shall be held, on the first (1st) and third (3rd) Thursday of each month, unless otherwise modified by the Board of Directors when setting the Board meeting calendar, at 5:30 pm for Closed Session and 6:30 pm time certain for Open Session; at the District Operations Building, 13057 Highway 9, Boulder Creek, CA, unless otherwise specified by action of the Board of Directors. Special meetings of the Board of Directors, as that term or its successor terms are defined within the meaning of the Ralph M. Brown Act (California Government Code section 54950 et seq.), may be duly authorized and held as deemed necessary by the President or a majority of the Board of Directors. Notice and location of special meetings shall be as prescribed by law. Emergency meetings of the Board of Directors, as that term or its successor terms are defined within the meaning of the Ralph M. Brown Act, may be duly authorized and held as deemed necessary only by a majority of the Board of Directors. Notice and location of emergency meetings shall be as prescribed by law.

B) PUBLIC NATURE OF MEETINGS

All meetings of the Board of Directors shall be open to the public, except when the Board is convened in Closed Session as authorized under provisions of the Ralph M. Brown Act (California Government Code section 54950 et seq.).

C) QUORUM AND VOTING REQUIREMENTS

The presence of three (3) or more Directors shall constitute a quorum for the transaction of District business. No ordinance, resolution or motion shall be passed by the Board of Directors without a majority vote of the Board, unless otherwise required or prescribed by State law. (See for example, Government Code section 54954.2, Board Policy Manual subparagraph K, below.)

D) BOARD ACTION

The Board of Directors shall act only by ordinance, resolution, or motion. Except where action is taken by the unanimous vote of all Directors present and voting, the ayes and noes shall be taken upon the passage of all ordinances, resolutions or motions and shall be entered in the minutes. An ordinance does not require two readings at separate meetings unless otherwise prescribed by law. Unless otherwise provided by its own terms, all ordinances, resolutions and motions shall become effective upon adoption. Any member of the Board of Directors, including the President, can make a motion. Motions require seconds. The President may vote on all motions unless disqualified or abstaining. The President shall not call for a vote on any motion until sufficient time has been allowed to permit any and all members of the Board of Directors to speak. Complex motions should generally be prepared in writing and read aloud to the members of the Board of Directors at the time the motion is made. If a motion is not in writing, and if it is necessary for full understanding of the matter before the Board of Directors, the President shall restate the question prior to the vote. Common motions may be stated in abbreviated form, and will be put into complete form in the minutes. Until the President states the question, the maker may modify their motion or withdraw it completely. However, after the President has stated the question, the motion may be changed only by a motion to amend which is passed by a majority vote of the Board of Directors.

The President of the Board may at any time, during debate or otherwise, declare a recess. Declaration of a recess shall not be subject to any motions.

E) PARLIAMENTARY PROCEDURES

Unless otherwise inconsistent with any provision stated herein, Parliamentary Procedure for Board of Directors meetings shall be based upon the current edition of Robert's Rules of Order Newly Revised. No action of the Board of Directors shall be deemed invalid for the reason that said action was not in conformance with Robert's Rules of Order Newly Revised.

F) ROUTINE BUSINESS

Matters of routine business such as approval of the minutes and approval of minor matters may be expedited by assuming unanimous consent of the members of the Board of Directors and having the President state that without objection the matter will stand approved. Should any Director object to such unanimous consent, the President shall then call for a vote.

G) ORDERLY DISCUSSION

In order to promote discussion of the issues before the Board of Directors, each Director shall be recognized by the chair before speaking. Notwithstanding any provision of this Policy, however, each Director shall have a right to be heard within reason on any issue before the Board of Directors. Each Director may seek information or comment by the staff on any question.

H) CLOSED SESSION

Except as provided by law, all proceedings in Closed Sessions shall remain confidential.

I) MEETING AGENDAS

The District Manager, in consultation with the Board President, shall be responsible for the preparation of a written agenda for each regular meeting and/or special meeting of the Board of Directors as those terms or its successor terms are defined by the Ralph M. Brown Act (California Government Code section 54950 et seq.). The District Manager and the Board President shall meet, annually, in January of each calendar year to identify recurring items of business which should be placed on written agendas at appropriate times during the coming year. The District Manager, in consultation with the President, shall be responsible for the preparation of a written agenda for each regular meeting and/or special meeting of "other legislative bodies," of the San Lorenzo Valley Water District, as those terms or its successor terms are defined by the Ralph M. Brown Act. Any Director may request that an item be placed on the agenda for a regular meeting of the Board of Directors. The District Secretary shall be responsible for the posting of the appropriate notice and agenda for all meetings of the Board of Directors and/or "other legislative bodies."

A copy of the agenda for each regular meeting of the Board of Directors shall be forwarded to each Board member, at least three (3) days in advance of each regular meeting, together with copies of all applicable supporting documentation; minutes to be approved; staff report; and other available documents pertinent to the meeting. Directors shall review agenda materials before each meeting. Individual directors may confer directly with the District Manager to request additional information on the agenda items.

J) ORDER OF BUSINESS

As a practice for normal business. The Board President may rearrange this order at any time. Introductory language for each agenda section may be modified by action of the Board of Directors from time to time. Changes to the introductory language for each agenda section shall take effect at the next Board of Directors meeting.

1. Convene Meeting, Roll Call.
2. Additions and Deletions to Closed Session Agenda.

3. Public Comment Related to items on the Closed Session Agenda
4. Adjournment to Closed Session.
5. Reconvene to Open Session at 6:30 PM (time-certain).
6. Closed Session report.
7. Additions and Deletions to Open Session Agenda.
8. Public Comment on any topic within the jurisdiction of the District and which is not on the Open Session Agenda.
9. Unfinished Business.
10. New Business.
11. Consent Agenda
12. District Reports
 - a. District Manager Report
 - b. Department Status Reports
 - c. Committee Reports
 - d. Director Reports
13. Written Communications
14. Informational Material.
15. (If applicable) Adjournment to Closed Session.
16. (If applicable) Reconvene to Open Session to Report Actions Taken in Closed Session.
17. Adjournment

K) ADDITIONS AND DELETIONS TO AGENDA

Additions to the Agenda, if any, shall be made in accordance with California Government Code Section 54954.2 or as amended (Ralph M. Brown Act), which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors. If less than two-thirds of the members are present a unanimous vote of those members present is required.

L) PUBLIC COMMENT

The Board of Directors encourages public participation in the governance of the District through public comment periods. In order to present, members of the public must first be recognized by the president.

1. If the Board meeting has a Closed Session agenda, members of the public may comment on or ask questions about the items which are on the Closed Session portion of each agenda. Comments or questions may be submitted in writing or orally. If in writing, the entire written communications will be placed in the minutes. If orally, members of the public may have to up to five (5) minutes (unless time is shortened by the President due to circumstances—e.g., in the event of a large number of people wishing to comment orally) to present to the Board of Directors. The President may extend this time at his or her discretion—e.g., in order to allow for a wrap up of the presentation. Oral comments will be summarized and included in the minutes if the member of the public provides his or her name at the beginning of their comment time.
2. Prior to the start of the Open Session agenda, members of the public may comment on or ask questions about topics which are within the jurisdiction of the District and which are not on the Open Session portion of the agenda. It is the objective of the Board to have as close to a normal conversation with members of the public as possible while still conforming to the requirements of the Brown Act. This means that the Board cannot take action or discuss a topic or question in depth during this meeting (Ralph M. Brown Act Section 54954.3 or as amended). However, the Board can ask clarifying questions in order to make sure that it understands questions or comments. The Board can discuss how to best handle questions or comments. All questions will be answered either in real-time (by the Board or Staff) or at a later time, unless the questions relate to confidential topics. If a question is answered in real-time, the Board President will ask if the question was answered and, if not, allow a short follow-up request for clarification. If a question cannot be answered in real-time, it will be answered and included in the minutes for that meeting which will be published at a later time. In addition, the Board may agendaize a public comment item for a future Board meeting if that seems appropriate or the Board may send the item to committee for follow-up and possible action. Comments and/or questions may be submitted in writing or orally. If in writing, the entire written communications will be placed in the minutes. If orally, members of the public may have to up to five (5) minutes (unless time is shortened by the President at his or her discretion due to circumstances—e.g., in the event of a large number of people wishing to comment orally) to present to the Board of Directors. The President may extend this time at his or her discretion—e.g., in order to allow for a wrap up of the presentation. Oral comments will be summarized and included in the minutes if the member of the public provides his or her name at the beginning of their comment time. In the interests of respecting everyone's time, members of the public are encouraged to (i) avoid repeating

someone else's point—just indicate agreement—and add new content and (ii) to avoid repetition during their comments.

In addition, members of the public may address each agenda item prior to Board disposition of that item, including items on the Consent Agenda. After presentation of the agenda item, the order of discussion will be: Board comment, public comment and then back to the Board for further deliberations. The Board President may establish a time limit for public comment on an agenda item and may also allow a second round of public comment at his or her discretion. In order to present, members of the public must first be recognized by the President.

No member of the public shall approach the Board of Directors table while the Board is in session unless granted permission by the President or presiding officer. Proper decorum must be observed by Directors, staff, speakers and the audience at all times. The President or presiding officer shall preserve order and decorum, discourage personal attacks, and confine debate to the question under discussion. The President shall rule out of order any irrelevant, repetitive or disruptive comments. Please mute or turn off your electronic devices while the Board is in session.

It is the policy of the Board of Directors to invite all members of the public to participate in the governance of the District and to provide wide latitude for the free expression of all points of view. However, the President, or a majority of the board, may eject from a meeting any person who becomes disorderly, abusive, or disruptive, or who fails or refuses to obey a ruling of the president regarding a matter of order or procedure. In addition, as a last resort, per California Government code 54957.9: *In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Representatives of the press or other new media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.*

Changes to this section shall take effect at the next Board of Directors meeting.

M) CONSENT AGENDA

The purpose of a consent agenda is to minimize the time required for the handling of any non-controversial matters. Consent agenda items are considered to be routine and non-controversial, with documentation provided to the Board of Directors that is adequate and sufficient for approval without inquiry or discussion. Any item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public. Unless moved to the regular agenda, the consent agenda shall be voted upon as one single item without discussion or debate.

N) STUDY SESSIONS

Study sessions or workshop meetings are for the purpose of discussing an item(s) that may come before the Board at a later time for official action, to facilitate

planning, or discussion of special topics of interest. Study sessions provide a more informal forum for the Board of Directors, staff and the public to engage in open-ended discussion and share information on a particular subject(s). No formal action(s) can be taken at a study session; direction can be given to staff regarding preparation of an agenda item for discussion and possible action at a subsequent meeting. From time to time, study sessions may be duly authorized as deemed necessary by the President or a majority of the Board.

O) WRITTEN COMMUNICATIONS

The Written Correspondence portion of the agenda is established to act as a report of written materials received by the Board as a whole, but may also include items requested for inclusion by individual Directors or members of the public. Written

Communications will always be presented in its entirety. Written Correspondence not presented in its entirety will be maintained by the District Secretary for a period of two (2) years.

10. TECHNOLOGICAL CONFERENCING

Teleconferencing may be used for all purposes in connection with any meeting within the subject matter jurisdiction of any legislative body of the District. Teleconferencing is defined as a meeting of a legislative body of the District, the members of which are in different locations, connected by electronic means, through either audio or video, or both. If a legislative body of the District elects to use teleconferencing, it shall comply with all applicable requirements of the Ralph M. Brown Act (Section 54953, or as amended.)

11. PRESIDENT

A) DUTIES

The President shall sit as presiding officer and conduct all meetings of the Board of Directors, shall carry out the resolution and orders of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe; including the following:

1. Call the meeting to order at the appointed time.
2. Announce the business to come before the Board of Directors in its proper order.
3. Enforce the Board of Directors policies and rules with respect to the order of business and the conduct of meetings.
4. Recognize persons who desire to speak, and protect the speaker who has the floor from disturbance or interference.
5. Explain what the effect of a motion would be if it is not clear to every member of the Board of Directors.
6. Restrict discussion to the question when a motion is before the Board of Directors.
7. Rule on parliamentary procedure.
8. Put motions to a vote, and state clearly the results of the vote.

B) RESPONSIBILITIES

The President shall have all the rights to discuss and vote on any issues before the Board of Directors. The President shall have the following responsibilities:

1. Sign all instruments, acts, and carry out stated requirements and the will of the Board of Directors.
2. Consult with the District Manager on the preparation of the Board of Directors agendas. In addition, any Director shall have the right to place any matter on the agenda for any meeting in accordance with the provisions of this policy.
3. Appoint and disband all committees, subject to Board of Directors approval.
4. Call such meetings of the Board of Directors as they may deem necessary, giving notice as prescribed by law.
5. Confer with the District Manager and/or District Counsel on matters which may occur between Board of Directors meetings.

6. Be responsible for the orderly conduct of all Board of Directors meetings.
7. Act as spokesperson for the Board of Directors.
8. Coordinate and prepare the Board of Directors annual evaluation of the General Manager and Legal Counsel.
9. Other duties as authorized by the Board of Directors.

12. VICE-PRESIDENT

When the President resigns or is absent or disabled, the Vice President shall perform the President's duties. When the President disqualifies himself/herself from participating in an agenda item, the Vice-President shall perform the duties of the presiding officer.

13. MINUTES

All Board of Directors meetings and committee meetings will be audio recorded and made available through the District's website. Said audio record shall be subject to inspection in accordance with State Laws, including the California Public Records Act.

In addition, the District Secretary shall record the minutes for Board of Directors meetings and committee meetings which shall also be posted on the District's website.

The minutes shall be of the form of summary minutes and will include the following information: the time the meeting was called to order, the names of the Directors (or, as appropriate, the committee members) attending the meeting, the vote (roll call or voice) on each matter considered at the meeting, the time the Board of Directors began and ended any closed session, the names of the Directors and the names, and titles where applicable, of any other persons attending any closed session, a list of those members of the public who spoke on each matter if the speakers identified themselves, whether such speakers supported or opposed the matter, a brief summary of each Board member's and public members statement during the public comment period for each agenda item (if they identified themselves), and the time the meeting was adjourned. Any person speaking during a public comment period may supply written comments which shall be included in the minutes.

The draft minutes of each meeting shall be available for inspection and copying upon request no later than ten working days after the meeting, unless circumstances prevent meeting that goal in which case the minutes shall be available as soon as possible. The officially adopted minutes shall be available for inspection and copying upon request no later than ten working days after the meeting at which the minutes are adopted, unless circumstances prevent meeting that goal in which case the minutes shall be available as soon as possible.

Changes to this section shall take effect at the next Board of Directors meeting.

14. COMMITTEES

The Board shall organize committees that are advisory to the Board with regard to matters within their respective areas of responsibility.

The five District standing committees are as follows: Administrative, Budget & Finance, Engineering, Environmental and Lompico Oversight. Each standing committee shall have no power or authority to commit the District or to take any action on behalf of the Board of Directors. Standing Committees shall hold meetings at such times, frequency and locations as deemed necessary by consensus of the committee members. Committees are encouraged to meet at least monthly.

Committee meetings shall be held in accordance with the provisions of the Ralph M. Brown Act. In order to promote attendance by Directors at Committee meetings without inadvertently creating a violation of the Ralph M. Brown Act, Directors that are not members of a committee are discouraged from attending but may attend as observers, and, if attending, shall not participate at the Committee's meeting.

Committee appointments will be reviewed by the full Board at a Board of Director's meeting in December of each Calendar Year, or as soon thereafter as practical. Applications to serve as a Public Member will be available at the District's Office or on-line at the District's

website (www.slvwd.com). Public Member Applications will be reviewed by the full Board. Each committee member shall be appointed by a simple majority vote of the Board.

Regardless of the start date, the terms of public member(s) of the Administrative, Budget & Finance, Engineering and Environmental Committees shall end on December 31st of each year.

Members of the public shall serve on no more than one standing committee at a time.

Administrative, Budget & Finance, Engineering, Environmental Committees may have no more than two Board Members and at least one Public Member. If more than one public member applies to serve on an individual committee, the full Board shall vote to determine which public member shall be seated on that committee for the year or may choose to appoint more than one public member to a committee by adjusting the size of the committee appropriately. At any time, the Board may also choose to appoint additional public members to any standing committee.

The Lompico Oversight Committee may have no more than five Public Members. Public members serving on the Lompico Oversight Committee shall have a residential mailing address within Assessment District 2016-1.

Members of the committees serve at the pleasure of the Board. Each committee shall designate their own chairperson. For the Administrative, Budget & Finance, Engineering and Environmental Committees the chairperson shall be a member of the Board. Each committee may elect a vice-chairperson. Members of committees, including the chairperson and vice-chairperson shall serve until their successors are appointed. The chairperson of a committee is its presiding officer and shall be responsible for communicating the recommendation of the committee to the Board. In the absence of the chairperson, the vice-chairperson shall perform the duties of the chairperson. The chairperson and vice-chairperson are not deprived of any of the rights and privileges of a committee member by reason of being the presiding officer.

A majority of the members of each committee shall constitute a quorum for the transaction of business. Only members of the committee are entitled to make, second or vote on any motion or other action of the committee. Each committee member shall be entitled to one vote on all matters considered by the committee. A simple majority vote of the members of the Committee shall designate approval of a motion.

During the first regular meeting after January 1st of each year, each Committee shall review the District's current Strategic Plan and identify Strategic Plan Elements pertaining to said Committee. The Committee's findings regarding such Strategic Plan review shall be reported back to the Board at the next available regular Board Meeting for discussion and to allow the Board to provide direction back to the committees regarding completion of identified Strategic Plan Elements.

During the first regular meeting after January 1st of each year, each Committee shall prepare a multi-month forward looking calendar of items to be discussed by said Committee. Said calendar shall be no less than a three month look-ahead. Each Committee chairperson shall maintain said look-ahead calendar and submit same to the Board on a monthly basis.

The committee Chairperson shall record summary minutes of each committee meeting. The

minutes of each committee meeting and any recommendation of a committee shall include a summary of the information presented.

All committee member absences will be considered by the majority of the committee members to determine whether or not the absence is without cause. Sickness, jury duty, vacation and/or bereavement will be considered excused absences. When three meetings in a row or a total of six meetings in one calendar year are missed the remaining committee members will consider

removal of the individual from the committee. The removal must be voted upon and approved by the majority of the committee members with the exception of the committee member in question.

Vacancies shall be reported to the full Board as soon as practically possible. Vacancies shall be filled by simple majority vote of the Board.

Committee Members shall comply with the obligations and responsibilities of office including the obligation to comply with the disclosure requirements of the Political Reform Act (Form 700). The reporting categories made applicable to the Directors by San Lorenzo Valley Water District's local conflict of code shall apply to the members of the committeemembers.

All committee communications must go through the designated committee chairperson.

A committee has jurisdiction to consider and make a recommendation to staff, other committees and to the Board regarding any item of business within the responsibility of the committee. Committee recommendations shall be communicated to the Board. A committee may consider other matters referred to it by the Board.

The Board may refer a recommendation back to any committee for reevaluation whenever the Board deems additional evaluation is required.

Each Standing Committee shall, as a minimum, be responsible for the following:

Administrative Committee

The Committee shall be responsible for matters of internal and external administrative matters including: communications, staffing and staff support; District's data gap grant programs; interagency relations; codes and policies, pending State and Federal legislation; and other administrative programs.

Budget and Finance Committee

The Committee shall be responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

Engineering Committee

The Committee shall be responsible for the review matters of design, construction, replace and repair of the District facilities and property including: The Capital Improvement Program; Master Plans and other engineering, operational and planning related matters.

Environmental Committee

The Committee shall be responsible for matters of stewardship of the District's property including: Urban Water Management Plans; Water Conservation Programs; Classis Watershed Education Grants; Watershed Management; Resource Management and other environmental related matter.

Lompico Assessment District Oversight Committee

The Committee shall be responsible to fulfill their charter as it relates to Assessment District 2016-1 projects.

Changes to this Section 14 shall take effect immediately.

15. MEETING STIPENDS

Each Director may receive compensation as established by resolution of the Board of Directors. Pursuant to California Water Code section 30507, each Director may receive compensation in an amount not to exceed one hundred dollars (\$100.00) per day for each day's attendance at meetings of the Board, or for each day's service rendered as a Director by request or approval of the Board, not to exceed six hundred dollars (\$600.00) in any calendar month.

Consistent with California Water Code section 30507, by resolution of the Board of Directors, the District has established the following per day (daily meeting stipend) for each day's attendance at meetings, as defined herein. Such compensation is in addition to any approved reimbursement for meals, lodging, travel and other expenses consistent with the policies stated herein.

a) To be entitled to a daily meeting stipend of one hundred dollars (\$100.00), the event in question must constitute one of the following:

1. A regular meeting of the San Lorenzo Valley Water District Board of Directors within the meaning of California Government Code sections 54952.2(a) and 54954(a) as established by the Board in Section 9A herein; or
2. Any meeting attended or service provided on a given day at the formal request or approval of the District Board of Directors, and for which the Board at a public meeting has approved payment of a daily meeting stipend. b) To be entitled to a daily meeting stipend of twenty five dollars (\$25.00), the event in question must constitute one of the following:
 1. A meeting, within meaning of California Government Code section 54952.2(a), of a District standing committee within the meaning of Government Code section 54952(b) and established herein. Only Directors appointed to the District standing committees shall be entitled to said daily meeting stipend.
 2. A special or emergency meeting of the San Lorenzo Valley Water District Board of Directors within the meaning of California Government Code sections 54956 (special meeting) or 54956.5 (emergency meeting) that is not a regular meeting as defined in Section 15.a.1 above.

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16. TRAINING, EDUCATIONAL PROGRAMS, CONFERENCE AND MEETINGS

The Board of Directors has determined that the following provisions shall be applicable to Director training, educational programs, conferences and meetings:

- A) Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Directors may attend, on behalf of the District, such training, educational programs, conferences and meetings as have been approved by the Board of Directors.

- B) It is the policy of the District to encourage Board development and excellence of performance by reimbursing necessary and reasonable expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District. Cash advances or use of District credit cards for these purposes is not permitted. All reimbursement of actual and necessary expenses shall be pursuant to District policy on expenditure reimbursement as stated herein.
- C) Attendance by Directors at seminars, workshops, courses, professional organization meetings, and conferences etc. shall be approved by the Board of Directors at a public meeting prior to incurring any authorized reimbursable costs.
- D) The District Manager or designee is responsible for making arrangements for Directors for conference and registration expenses, and for per diem. Per Diem, when appropriate, shall include reimbursement of expenses for meals, lodging, and travel. All expenses for which reimbursement is requested by Directors, or which are billed to the District by Directors, shall be submitted to the District Manager, together with validated receipts.
- E) To conserve District resources and keep Directors' reimbursement expenses for training, educational programs, conferences and meetings within community standards for public officials, reimbursement expenditures should adhere to the following guidelines. Expenses to the District for Board of Directors' training, education programs, conferences and meetings should be kept to a minimum by:
 - 1. Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates.
 - 2. Traveling together whenever feasible and economically beneficial.
 - 3. Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and hotel rates.
- F) A Director shall not attend a conference or training event for which there is an expense to the District if it occurs after the Director has announced a pending resignation, or if it occurs after an election in which it has been determined that a Director will not retain a seat on the Board. A Director shall not attend a conference or training event when it is apparent that there is no significant benefit to the District.
- G) Whenever a Director who has not previously attended a particular conference or educational program is available to attend same, that Director shall have preference for attendance over a Director who has previously attended the same program.
- H) Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the District, Directors will either prepare a written report for

distribution to the Board, or make a verbal report during the next regular meeting of the Board. The report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

- I) Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act when more than three (3) Directors attend the same event.

17. EXPENDITURE REIMBURSEMENT

The purpose of this policy is to prescribe the manner in which members of the San Lorenzo Valley Water District Board of Directors may be reimbursed for expenditures related to approved District business. The District shall adhere to California Government Code sections 53232 through 53232.4 or as amended when dealing with issues of expenditure reimbursements for Directors. This policy shall apply to all members of the Board of Directors, and is intended to result in no personal gain or loss to a Director.

Directors may be reimbursed for out-of-pocket expenditure(s) relative to reasonable and necessary costs associated with appropriate District business. The Board of Directors must provide approval for said District business at a public meeting prior to incurring any authorized reimbursement costs.

Directors are eligible to receive reimbursements for travel, meals, lodging, and other reasonable and necessary expenses associated with approved District business. Reimbursement rates shall coincide with guidelines established herein, or rates set by Internal Revenue Service Publication 1542 or its successor publication(s), whichever are greater.

If lodging is in connection with a prior approved event, such lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor. If the published group rate is unavailable, Directors shall be reimbursed for comparable lodging at government or IRS rates.

If travel is in connection with a prior approved event, the most economical mode and class of transportation reasonably consistent with scheduling needs must be used, using the most direct and time-efficient route. Directors shall use government or group rates offered by the event provider of transportation when available. If the group rate is unavailable, Directors shall be reimbursed for comparable travel at government or IRS rates.

Directors shall submit their requests for reimbursement on a form approved by the District Manager. The reimbursement form shall include an explanation of the District-related purpose for the expenditure(s). Receipts documenting all expenditure are required to be submitted in conjunction with the expense report form. Failure to submit necessary receipts will result in denial of the reimbursement claim. Expense reports shall be submitted within a

reasonable time, and at no time more than fourteen (14) calendar days after incurring the expense. The District Manager will review and approve reimbursement requests.

Any and all expenses that do not fall within the adopted travel reimbursement policy or the IRS reimbursable rates are required to be approved by the Board of Directors in a public meeting prior to the expense(s) being incurred. Expenses that do not adhere to the adopted travel reimbursement policy or the IRS reimbursable rates, and that do not receive prior approval from the Board of Directors in a public meeting prior to the expense being incurred, shall not be eligible for reimbursement.

State law provides criminal penalties for misuse of public resources, which includes falsification of expense reports. Penalties include fines, imprisonment, and restitution.

18. PERSONNEL POLICIES

A) PERSONNEL SYSTEM RULES AND REGULATIONS

San Lorenzo Valley Water District is committed to the provision of an orderly, equitable and uniform personnel system. The Board of Directors by resolution shall establish written rules and regulations for the administration of the personnel system. Personnel system rules and regulations shall be reviewed at a Board of Directors meeting in December of each calendar year or as soon thereafter as reasonable.

B) SEXUAL HARASSMENT

The San Lorenzo Valley Water District is committed to creating and maintaining a work environment free of objectionable and disrespectful conduct and/or communication of a sexual nature and prohibits sexual harassment by all employees and the Board of Directors. The Board of Directors by resolution shall establish a written policy and procedure manual relative to sexual harassment. The District's sexual harassment policy shall be reviewed at a Board of Directors meeting in December of each calendar year or as soon thereafter as reasonable.

Conduct which creates an intimidating, hostile or offensive work environment will not be tolerated. Verbal behavior, physical behavior, gestures and other non-verbal behavior which create said environment will not be tolerated. Any employee or member of the public who feel that they have been or are being harassed by a Director is strongly encouraged to immediately report such incident to the District Manager without fear of reprisal regardless of the outcome of the complaint. The District Manager shall assign the investigation of the alleged misconduct to an outside party such as an attorney or law firm experienced in such matters. The District Manager shall notify the President of the Board of Directors of said alleged misconduct. Thereafter, the President, at the next meeting of the Board of Directors, shall report the facts and nature of the allegations to the entire Board of Directors.

If the Director charged with sexual harassment is the President of the Board of Directors, the District Manager shall report the fact and nature of the allegation(s) to the entire Board of Directors at its next meeting.

If an allegation of sexual harassment against a Director is investigated and found to be supported, the Board of Directors reserves the right to take such remedial action as is appropriate under all of the circumstances, including, if warranted, initiating an action for recall of such Director. The Directors agree that an accusation of sexual harassment against any one of them must be investigated. It is further agreed that such an investigation is not an invasion of their right of privacy.

C) NONDISCRIMINATION

The District shall not unlawfully discriminate against qualified employees or job applicants on the basis of age, sex, race, color, creed, religion, national origin, ancestry, marital status, sexual orientation, physical or mental disability, veteran status, or status with regard to public assistance. Equal opportunity shall be provided to all qualified employees and applicants in every aspect of personnel policy and practice.

All employees are expected to carry out the responsibilities in a manner that is free from discriminatory statements or conduct.

D) REASONABLE ACCOMMODATION-AMERICANS WITH DISABILITIES ACT

Pursuant to the Americans with Disabilities Act, employers have a duty to reasonably accommodate employees and job applicants with known disabilities. This accommodation is not required for individuals who are not otherwise qualified for the job nor is accommodation generally required until the person with the disability requests it. The following optional regulation includes procedures recommended by the Equal Employment Opportunity Commission for use when determining what accommodation to make.

Requests for reasonable accommodation may first be considered informally by the site administrator. If an accommodation cannot be made at the site because it would impose undue hardship or because of a lack of funds, the site administrator shall ask that the request be submitted in writing to the General Manager. The site administrator shall provide the employee or applicant with any assistance he/she may need in order to submit this request.

The duty to reasonably accommodate an individual with a disability is limited to those accommodations which do not impose an undue hardship upon the district.

Undue hardship is determined on a case-by case basis and includes any action that is unduly costly, extensive, substantial, disruptive, or that fundamentally alters the nature or operation of the agency. The burden of proving undue hardship rests with the agency, and what may be an undue hardship for one agency may not be

an undue hardship for another, depending on factors such as cost and agency size. Even if cost does pose an undue hardship, the disabled person should have the opportunity to pay for the portion of the cost that constitutes an undue hardship, or to personally provide the accommodation.

19. CONFLICT OF INTEREST CODE

Pursuant to provision of California Government Code section 81,000 et seq., commonly known as the Political Reform Act, the District shall adopt and maintain a Conflict of Interest Code. The Conflict of Interest Code and, any amendments thereto shall be adopted by resolution of the Board of Directors. The Board of Directors shall review the adopted Conflict of Interest Code on a bi-annual basis. At a regularly scheduled Board of Directors meeting in September of each even-numbered year, the Board of Directors shall review its Conflict of Interest Code and, if amendments are needed, shall submit said amendments to the Santa Cruz County Board of Supervisors in accordance with applicable deadlines. If no amendments are needed, the Board of Directors shall submit a written statement saying that its Conflict of Interest Code is still accurate.

20. RESIGNATIONS

Resignations by Directors shall be in writing, state the effective date and be submitted to the President of the Board of Directors and District Secretary. In the event the President of the Board of Directors resigns, the resignation shall be submitted to the Vice-President of the Board of Directors and the District Secretary.

21. VACANCIES

Directors are expected to carry out their responsibilities to the best of their abilities. In order to accomplish this goal, Directors should be present for scheduled meeting or events whenever possible. In accordance with California Government Code section 1770 a Director position vacancy will occur whenever "he or she ceases to discharge the duties of his or her office for the period of three consecutive months, except when prevented by sickness", or when absent from the Board of Directors without the permission of the majority of the Board of Directors.

If such vacancy occurs, the Board of Directors will take action in accordance with California Government Code section 1770.

In order to accomplish this in an orderly and consistent manner, when a vacancy of an elected Director occurs, the District Board of Directors, after discussion and consideration, shall when deemed appropriate, instruct staff to:

- A) Place a public notice advising that a vacancy has occurred in accordance with applicable provisions of law; and
- B) Said notice shall advise prospective candidates of the steps to take to apply for appointment; and
- C) The District's Board of Directors shall establish the closing date for the receipt of applications; and
- D) Applicants shall submit the following, by the date specified in the notice:
 - a) a letter of interest, and
 - b) a resume, with particular emphasis on the applicant's knowledge of special districts, and
- E) Applicant(s) shall be interviewed at the next regularly scheduled meeting of the District's Board of Directors following the date of closure for applications; and
- F) The District's Board of Directors shall make the appointment without undue delay, but need not act at the same meeting.

22. INCONSISTENT, INCOMPATIBLE AND CONFLICTING EMPLOYMENT OR ACTIVITIES

Pursuant to the provision of the California Government Code section 1126, the Board of Directors of the San Lorenzo Valley Water District has determined that it would be inconsistent and incompatible for a Board member to be a paid employee of the District. Therefore, based on this decision, a member of the Board of Directors shall not be a paid District employee.

23. DIRECTORS' LEGAL LIABILITIES

The District shall defend and indemnify Directors from any claim, liability or demand that arises out of a Director's performance of his or her duties or responsibilities as a Director or Officer of the District, as provided by California Government Codes 825 and 995.

However, in the event that such claim, liability or demand involves an alleged Conflict Of Interest (COI) on the part of the Director seeking defense or indemnification, and to fully and transparently support the intent of the SLVWD's Conflict of Interest Code, prior to approving, or granting any such request the District shall do all of the following:

- A) Forward the Director's written request to the District's risk management entity or insurer for a coverage determination;

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Commented [1]: Unclear what this means, but okay.

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B) The Board shall consider and make the following findings by motion or resolution in open session:

- a. based on information currently known to the District, the District is unable to determine that the act or omission giving rise to the alleged COI was outside the scope of the Director's employment;
- b. there is no evidence currently known to the District that the Director acted or failed to act because of actual fraud, corruption, or actual malice;
- c. based on information currently known to the District, the defense of the action or proceeding by the District would not create a "specific conflict of interest" (as defined in Gov. Code § 995.2(a)(3)) between the District and the Director.

C) To the maximum extent permitted by law, any decision to approve or grant such a request shall be made subject to a reservation of rights on the part of the District.

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24. INVESTMENT POLICY

San Lorenzo Valley Water District is committed to the establishment of formal policies relative to the prudent investment of the District's unexpended cash. The Board of Directors by resolution shall establish written guidelines for the investment of all San Lorenzo Valley Water District funds or funds in the custody of the District, in a manner which conforms to all

state and local statutes governing the investment of public funds. Said guidelines shall provide for an optimal combination of safety, liquidity and yield. The District's Investment Policy and, any amendments thereto, shall be adopted by resolution of the Board of Directors. The Investment Policy shall be reviewed at a Board of Directors meeting in December of each calendar year or as soon thereafter as reasonable.

25. ANNUAL DISCLOSURE OF REIMBURSEMENTS

The District shall annually disclose any reimbursements paid by the San Lorenzo Valley Water District of at least one hundred dollars (\$100.00) for each individual charge for services or products received. The Board of Directors shall review said reimbursement information for the preceding fiscal year (July 1 - June 30) at a regularly scheduled Board of Directors meeting in September of each calendar year.

26. GENERAL PROVISIONS

Any of the within policies not required by law may be altered, amended, or repealed by a majority of the Board at a duly authorized meeting.

27. ANNUAL REVIEW

This Board of Directors Policy Manual shall be reviewed at least annually and ratified by Resolution of the Board of Directors at a Board of Directors meeting, at least in December of each calendar year or as soon thereafter as reasonable.

*** END ***

MEMO

TO: Board of Directors

FROM: District Manager

PREPARED BY: Environmental Programs Manager

SUBJECT: Professional Services Contract for Fall Creek Fish Ladder
– Revised Concept Level Designs (12 inch drops)

DATE: September 5, 2019

RECOMMENDATION:

It is recommend that the Board of Directors review and authorize the District Manager to enter into contract with Waterways Consulting, Inc. to revise the existing fish latter improvement project design to meet the 12 inch drop as approved in the California Department Fish and Wildlife Variance.

BACKGROUND

The San Lorenzo Valley Water District (SLVWD) operates a water diversion facility on Fall Creek, tributary to the San Lorenzo River, Santa Cruz County. The diversion facility includes a fish ladder constructed in 1974. According to the *Fall Creek Reconnaissance-Level Assessment of Channel Characteristics* (Assessment) (Podlech, 2018), vertical drop heights in the ladder are approximately 18-24 inches. As part of the permitting process for the 2013 ladder improvement project, the District agreed to design and construct further modification to the ladder to meet passage criteria for all salmonid life stages.

The proposed design includes reducing the vertical drops from 18-24 inches to 12 inches with a series of step pools separated by weirs with V-notches. NMFS' Guidelines for Salmonid Passage at Stream Crossings includes a maximum hydraulic drop between water surfaces of 6 inches for juveniles and 12 inches for adults, so the proposed design varies from the juvenile height criterion¹.

¹ Guidelines for Salmonid Passage at Stream Crossings, September 2001.
<http://swr.nmfs.noaa.gov/hcd/NMFSSCG.PDF>

- – Fish and Game Code section 5935 states that “[t]he owner of any dam upon which a fishway has been provided shall keep the fishway in repair and open and free from obstructions to the passage of fish at all times.”

On April 19, 2019 the San Lorenzo Valley Water District received an approval of NMFS Design Variance, Maximum Hydraulic Drop Criterion. The biological justification for the variance is included titled: Fall Creek Reconnaissance- Level Assessment of Channel Characteristics. This Variance will reduce the cost of construction and reduce and amount of maintenance needed for the future of the ladder.

Next Steps

1. Contract with Waterways to revise designs to meet 12 inch jumps instead of the 6 inch jumps as described in the attached memo titled: APPROVAL OF NMFS DESIGN VARIANCE, MAXIMUM HYDRAULIC DROP CRITERION
2. Approve and Submit Biological Opinion to NMFS on Revised Designs, Bypass Flows, & Maintenance of fish ladder.
3. Acquire Environmental Permits based on design revisions (RCD is on contract to assist District with these permits).
4. Bid the Project
5. Project Construction

2015 STRATEGIC PLAN:

Strategic Element 1.0 – Water Supply Management

Strategic Element 2.0 – Watershed Stewardship

FISCAL IMPACT:

Department: 01 – Capital Improvement

AGREEMENT FOR PROFESSIONAL SERVICES
by and between the
SAN LORENZO VALLEY WATER DISTRICT (District)
and
WATERWAYS CONSULTING, INC (Consultant)

PREAMBLE

This agreement for the performance of professional services ("Agreement") is made and entered into on this **XX** day of **September 2019** ("Effective Date"), by and **WATERWAYS CONSULTING, INC** with its principal place of business located at 509 Swift Street, Unit A Santa Cruz, CA 95060 ("Consultant") and the San Lorenzo Valley Water District, a California County Water District, with its principal place of business located at 13060 Highway 9, Boulder Creek, CA 95006("District"). District and Consultant may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A.** **A.** District desires to secure professional services as described in Exhibit A, entitled "Scope of Services"; for **Job No. 13-054C, Fall Creek Fish Ladder – Revised Concept Level Designs (12 inch drops)**.
- B.** Consultant represents that it possesses the professional qualifications and expertise to provide such services and
- C.** The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT PROVISIONS

1. SCOPE OF SERVICES

Except as specified in this Agreement, Consultant shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise (collectively referred to as "Services") to satisfactorily complete the work required by District at its own risk and expense. Services to be provided to District are more fully described in Exhibit A, entitled "Scope of Services.". All of the exhibits referenced in this Agreement are attached and incorporated by this reference.

2. TERM OF AGREEMENT

Consultant shall provide the services under the requirements of this Agreement commencing upon the date of execution of this Agreement by the parties. Consultant shall complete services within the time limits set forth in Scope of Services or as mutually determined in writing by Parties.

3. RESPONSIBILITY OF CONSULTANT

Consultant shall be responsible for the quality, technical accuracy, and coordination of services furnished by it under this Agreement as outlined in Exhibit A. Consultant will endeavor to provide services in a manner consistent with the level of care and skill ordinarily exercised by other professionals providing the same service in the same locale. Consultant shall be solely responsible to District for the performance of Consultant, and any of his or her employees, agents, subcontractors, or suppliers, under these Agreement Documents.

4. RESPONSIBILITY OF DISTRICT

- A.** District has established a budget for professional services including all costs as outlined in Exhibits A and B. The District Manager, or designee, shall be District's authorized representative and will ensure all required budget, purchase orders, service orders and any other internal documentation necessary to comply with the terms of this Agreement are properly and timely prepared in order to enable Consultant to commence and continue services according to terms of the Agreement.
- B.** On behalf of District, the District Manager, or designee, shall be District's authorized representative in the interpretation and enforcement of all work performed in connection with this Agreement. The District Manager, or designee, shall render decisions in a timely manner pertaining to documents submitted by Consultant in order to avoid unreasonable delay in the orderly and sequential progress of Consultant's services. Consultant shall promptly comply with instructions from District Manager or designee. The District Manager will ensure all required budget, purchase orders, service orders and any other internal documentation necessary to comply with the terms of this agreement are properly and timely prepared in order to enable Consultant to continue services according to the terms of this Agreement.

5. PAYMENT OF COMPENSATION

- A.** In consideration for Consultant's performance of services, District shall pay Consultant for all services rendered by Consultant pursuant to Consultant's Standard Rate Schedule, the current version of which is outlined in Exhibit B, "Services Fee Schedule." Payments made by District under this Agreement shall be the amounts charged for Services provided and billed by Consultant, subject to verification by District, pursuant to the standard rates set forth in the "Services Fee Schedule" attached as Exhibit B. Consultant may begin services prior to the effective date of this agreement at its own risk, with the understanding that, upon District approval, District may choose to compensate consultant for services performed prior to authorization by District's Board of Directors, with the limits of the District Manager's authority.

- B. Consultant shall bill District on a monthly basis for services provided by Consultant during the preceding month, subject to verification by District. Payment to Consultant for services will be made within thirty (30) days of date of Consultant invoice.
- C. Compensation for the services hereunder shall be capped at **\$ 15,790.00** unless changed in writing by District.

6. RIGHT TO TERMINATION

Both parties reserve the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to the other party. As of the date of termination, Consultant shall immediately cease all services hereunder, except such as may be specifically approved by both Consultant and District's authorized representative. Consultant shall be entitled to compensation for all services rendered prior to termination and for any services authorized by the authorized representative thereafter.

7. NO ASSIGNMENT OF AGREEMENT/SUCCESSORS IN INTEREST

This Agreement is a contract for professional services. District and Consultant bind themselves, their partners, successors, assigns, executors and administrators to all covenants of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of both parties.

8. NO AGENCY

Consultant shall not have authority, expressed or implied, to act on behalf of District as an agent, or to bind District to any obligations whatsoever, unless specifically authorized in writing by the District Manager or authorized representative.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an Agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. CONSULTANT IS AN INDEPENDENT CONSULTANT

It is agreed that in performing the work required under this Agreement, Consultant and any person employed by or contracted with Consultant to furnish labor and/or materials under this Agreement is neither an agent nor employee of District. Consultant has full rights to manage its employees subject to the requirements of the law.

11. CONFIDENTIALITY OF MATERIAL

All memoranda, specifications, plans, data, drawings, descriptions, documents, discussions or other information received by or for Consultant and all other written

information submitted to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant and shall not, without the prior written consent of District, be used for any purposes other than the performance of the services nor be disclosed to an entity not connected with performance of the services. Nothing furnished to Consultant, which is otherwise known to Consultant or becomes generally known to the public or is of public record, shall be deemed confidential.

12. RIGHT OF DISTRICT TO INSPECT RECORDS OF CONSULTANT

District, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for three (3) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Consultant for the purpose of verifying any and all charges made by Consultant in connection with Consultant's compensation under this Agreement, including termination of Consultant. Consultant agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to District. District shall disallow any expenses not so recorded.

Consultant shall submit to District any and all reports concerning its performance under this Agreement that may be requested by District in writing. Consultant agrees to assist District in meeting District's reporting requirements to the State and other agencies with respect to Consultant's services hereunder.

13. CORRECTION OF SERVICES

Consultant will be given the opportunity and agrees to correct any incomplete, inaccurate or defective services at no further cost to District, when such defects are due to the negligence, errors or omissions of Consultant.

14. FORCE MAJEURE

The time for performance of services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Consultant, including, but not restricted to, acts of God or of any public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes and unusually severe weather if Consultant shall, within ten (10) days of the commencement of such condition, notify the District Manager who shall thereupon ascertain the facts and extent of any necessary delay, and extend the time for performing services for period of enforced delay when and if the District Manager's determination shall be final and conclusive upon the parties to this Agreement.

15. FAIR EMPLOYMENT

Consultant shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, condition of physical handicap, religion, ethnic background, or marital status, in violation of state or federal law.

16. HOLD HARMLESS/INDEMNIFICATION

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold District,

its Board members, officers, and employees, harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by Consultant's negligent acts, errors or omissions in the performance of professional services under this Agreement and those of his or her sub-consultants or anyone for whom Consultant is legally liable.

Consultant is not obligated to indemnify District in any manner whatsoever for District's own negligence.

17. INSURANCE REQUIREMENTS

A. Without limiting Contractor's indemnification of District, and prior to commencing any Services required under this Agreement, Consultant shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

1. Commercial General Liability Policy (bodily injury and property damage):
Policy limits are subject to review, but shall in no event be less than, the following:

\$1,000,000 Each Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal Injury
2. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
3. Comprehensive Business Automobile Liability Insurance Policy with policy limits at minimum limit of not less than one million dollars (\$1,000,000) each accident using. Liability coverage shall apply to all owned, non-owned and hired autos.
4. Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of Consultant. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per claim/aggregate.

B. EVIDENCE OF COVERAGE

Prior to commencement of any services under this Agreement, Consultant, shall, at its sole cost and expense, purchase and maintain not less than the minimum insurance coverage with endorsements and deductibles indicated in this Agreement. Consultant shall file with District all certificates for required insurance policies for District's approval as to adequacy of insurance protection.

18. AMENDMENTS

It is mutually understood and agreed that no alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the Parties and incorporated into this Agreement. Such changes, which are mutually agreed upon by District and Consultant, shall be incorporated in amendments to this Agreement.

19. WAIVER

No term or provision hereof shall be deemed waived and no default or breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented to such breach. The consent by any party to, or waiver of, a breach or default by the other shall not constitute a consent to, waiver of, or excuse for, any other different or subsequent breach or default.

The failure of either party to insist upon or enforce strict conformance by the other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment of such party's right unless made in writing and shall not constitute any subsequent waiver or relinquishment.

20. INTEGRATED DOCUMENT - TOTALITY OF AGREEMENT

This Agreement embodies the Agreement between District and Consultant and its terms and conditions. No other understanding, agreements, conversations or otherwise, with any officer, agent or employee of District prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon District.

Agreement Documents comprise the entire Agreement between District and Consultant concerning the work to be performed for this project. Agreement Documents are complementary; what is called for in one of the Agreement Documents is binding as if called for by all of them.

21. SEVERABILITY CLAUSE

In the event any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

If any part of this agreement is for any reason held to be excessively broad as to time, duration, geographical scope, activity or subject, it will be construed, by limiting or reducing it, so as to be enforceable to the extent reasonably necessary for the protection of the parties.

22. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to District addressed as follows:

Richard Rogers
District Manager
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

And to Consultant addressed as follows:

Matt Weld, R.C.E
WaterWays Consulting, Inc.
509 Swift Street, Unit A
Santa Cruz, CA 95060

23. STATUTES AND LAW GOVERNING AGREEMENT

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California.

24. WAIVER OF CONSEQUENTIAL DAMAGES

District and Consultant mutually agree to waive all claims of consequential damages arising from disputes, claims, or other matters relating to this Agreement.

25. DISPUTE RESOLUTION

- A.** Unless otherwise mutually agreed to by the Parties, any controversies between Consultant and District regarding the construction or application of this Agreement, and claims arising out of this agreement or its breach, shall be submitted to mediation within thirty (30) days of the written request of one Party after the service of that request on the other Party.
- B.** The Parties may agree on one mediator. If they cannot agree on one mediator, the Party demanding mediation shall request that the Superior Court, State of California, County of Santa Cruz appoint a mediator. The mediation meeting shall not exceed one day or eight (8) hours. The Parties may agree to extend the time allowed for mediation under this Agreement.
- C.** The costs of mediation shall be borne by the Parties equally.
- D.** Mediation under this section is a condition precedent to filing an action in any court. In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of this Agreement, or to recover damages for the breach thereof, the Party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing Party all reasonable attorneys' fees, costs and expenses incurred by the prevailing Party.

26. VENUE

In the event that suit shall be brought by either Party, the Parties agree that the venue shall be exclusively vested in the state courts of the State of California, County of Santa Cruz, or where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Jose.

27. SIGNATURES

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Consultant and District.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

SAN LORENZO VALLEY WATER DISTRICT,

Richard Rogers
District Manager
San Lorenzo Valley Water District

Matt Weld, R.C.E
Waterways Consulting, Inc.

Approved as to form:

Gina R. Nicholls
District Counsel

NOAA Fisheries Service



DATE: APRIL 19, 2019

FOR: JON JANKOVITZ, MARJORIE CAISLEY (CDFW)
RICK WANTUCK (NMFS)

FROM: DAVID K. WHITE, NMFS FISH PASSAGE ENGINEER

SUBJECT: APPROVAL OF NMFS DESIGN VARIANCE, MAXIMUM
HYDRAULIC DROP CRITERION.

Site Description and Background

The San Lorenzo Valley Water District (SLVWD) operates a water diversion facility on Fall Creek, tributary to the San Lorenzo River, Santa Cruz County. The diversion facility includes a fish ladder constructed in 1974. According to the *Fall Creek Reconnaissance-Level Assessment of Channel Characteristics* (Assessment) (Podlech, 2018), vertical drop heights in the ladder are approximately 18-24 inches. As part of the permitting process for the 2013 ladder improvement project, the District agreed to design and construct further modification to the ladder to meet passage criteria for all salmonid life stages.

Project Description

The proposed design includes reducing the vertical drops from 18-24 inches to 12 inches with a series of step pools separated by weirs with V-notches. NMFS' Guidelines for Salmonid Passage at Stream Crossings includes a maximum hydraulic drop between water surfaces of 6 inches for juveniles and 12 inches for adults, so the proposed design varies from the juvenile height criterion¹.

Justification for Variance

Habitat- The Assessment was developed primarily to evaluate whether 6 inch or 12 inch vertical drops are more appropriate for this project. The assessment included identifying, photographing, and measuring the vertical heights of natural and anthropogenic features in the adjacent reaches. The Assessment documents that several vertical drops between 12 and 24 inches currently exist upstream and downstream of the ladder at boulder weirs, step pools and wood jams. Further upstream, major channel spanning logs create drops of 2.5 to 4 feet. These are naturally recurring features that are common to this system. In addition, habitats upstream and

¹ Guidelines for Salmonid Passage at Stream Crossings, September 2001.
<http://swr.nmfs.noaa.gov/hcd/NMFSSCG.PDF>

downstream of the ladder are generally similar in terms of percent riffle to pool composition and pool depths. Deep pool habitat is limited, and juvenile salmonids are commonly seen rearing in the existing ladder pools.

Water Conditions- Fall Creek in this reach generally has cool flows year-round. Sampled water temperatures in Fall Creek were 15 to 16F all summer long.

Fish Distribution- Juvenile steelhead densities upstream and downstream of the fish ladder were evaluated from 2014 to 2017 and found to be similar (33.8fish/100ft and 39.7 fish/100ft, respectively). According to the Assessment, similar to most of the smaller San Lorenzo River tributaries, age 0+ steelhead that rear in Fall Creek are relatively small (50-80 mm FL). Age 1+ steelhead in Fall Creek are also small (100-140 mm FL) and scarce, suggesting that the downstream movement of age 0+ into the San Lorenzo River to grow a second year is a favorable life history Fall Creek.

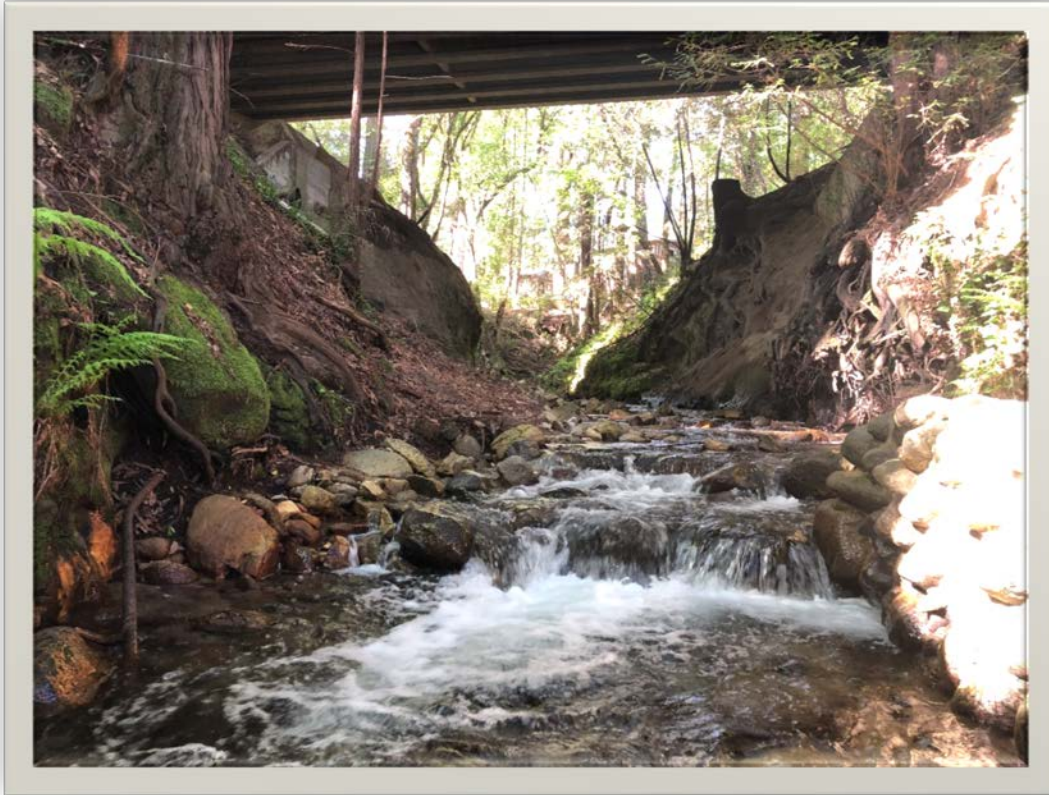
Approval of Design Variance

NMFS has reviewed the available information, and we have discussed the issue with CDFW Fisheries Biologist Jon Jankovitz. John is in support of a design that includes 12 inch vertical drops. In summary:

Given (1) the presence of existing natural and anthropogenic features exceeding 6 inches in vertical height in Fall Creek upstream and downstream of the ladder; (2) the similarity of physical habitat conditions, water temperatures, and juvenile steelhead population densities upstream and downstream of the ladder; (3) the documented strong summer and fall site fidelity of juvenile steelhead; (4) the apparent function of Fall Creek and other San Lorenzo River tributaries as a spawning and fry production sites for subsequent seeding of the mainstem San Lorenzo River; and (5) the apparent rearing habitat quality of the existing ladder, a variance from the standard 6-inch jump height requirement for juvenile salmonid upstream passage appears warranted for the Fall Creek Fish Ladder (Podlech 2018).

Six inch vertical drops are most important when juveniles need to move upstream in order to find suitable cold-water habitat in the summer months, or to escape flushing flows in the winter or spring if the life history pattern is adapted to that. In this case, the available information indicates that upstream passage for juveniles is likely not a high design priority. Upstream passage for adult salmonids and creating or maintaining deep pool habitat are higher priorities. Therefore, NMFS approves the design variance from 6 inch to 12 inch vertical drops.

Fall Creek Reconnaissance-Level Assessment of Channel Characteristics



Prepared for:

San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Prepared by:

Mike Podlech, Aquatic Ecologist

November 27, 2018

Background

The San Lorenzo Valley Water District (District) owns and operates a water diversion facility on Fall Creek, tributary to the San Lorenzo River, in the Town of Felton, Santa Cruz County. The diversion facility includes a fish ladder originally constructed around 1974 by the local water district at the time, Citizens Utilities Company of California. Cal American subsequently purchased the water company and performed very little to no maintenance on the fish ladder during its ownership. In 2008, the Felton community organized and purchased the water system from Cal American and turned it over to the District to operate.

In 2013 the fish ladder underwent an emergency repair to seal subsurface seepage due to holes in the concrete apron and to remove accumulated sediment from the ladder chambers, reducing pool turbulence, ensuring sufficient flow over weir structures and reducing jump height at the weir structures. Improvements performed in 2013 brought the fish ladder into compliance with adult steelhead (*Oncorhynchus mykiss*) passage requirements during most flow regimes. Existing vertical drop heights in the ladder are approximately 18-24 inches during low flows. As part of the permitting process for the 2013 ladder improvement project, the District agreed to design and construct further modification to the ladder to meet passage criteria for all salmonid life stages. Current regulatory agency criteria stipulate that adult salmonid jump heights shall not exceed 12 inches and juvenile jump heights shall not exceed 6 inches.

To provide site-specific context for the relevance of the juvenile jump height requirement for the Fall Creek fish ladder, a reconnaissance level assessment of existing channel conditions in Fall Creek was conducted in April 2018. This report summarizes the findings of the assessment.

Methods

The reconnaissance-level assessment of Fall Creek was conducted on April 13, 2018. The assessment consisted of walking the channel from the mouth of Fall Creek upstream to the fish ladder, a distance off approximately 2,800 feet, as well as a short distance (approx. 300 ft) upstream of the ladder. The assessment focused on identifying and measuring existing vertical drops in elevation at natural (e.g., step-runs and log jams) and legacy anthropomorphic channel features (e.g., boulder weir). Changes in water surface elevation at these features were estimated by eye using a stadia rod, and photographs and GPS coordinates were recorded at representative features (Figure 1). Streamflow on the day of the assessment was estimated at 7.0 cubic feet per second (cfs), as recorded by District staff at the diversion facility's staff gage.

Results

The confluence of Fall Creek and the San Lorenzo River consists of a steep and broad cobble and boulder riffle (Photo 1). While this riffle does not contain a vertical drop, Alley (2016) noted that this feature likely becomes difficult to pass for age 0+ steelhead and coho salmon under unimpaired summer streamflow levels in most years due to its high gradient, large boulders and shallow flows.

Approximately 100 ft upstream of the confluence and 100 ft downstream of the Highway 9 bridge crossing, a boulder step (Photo 2) located adjacent to an old concrete wall/abutment presents a vertical

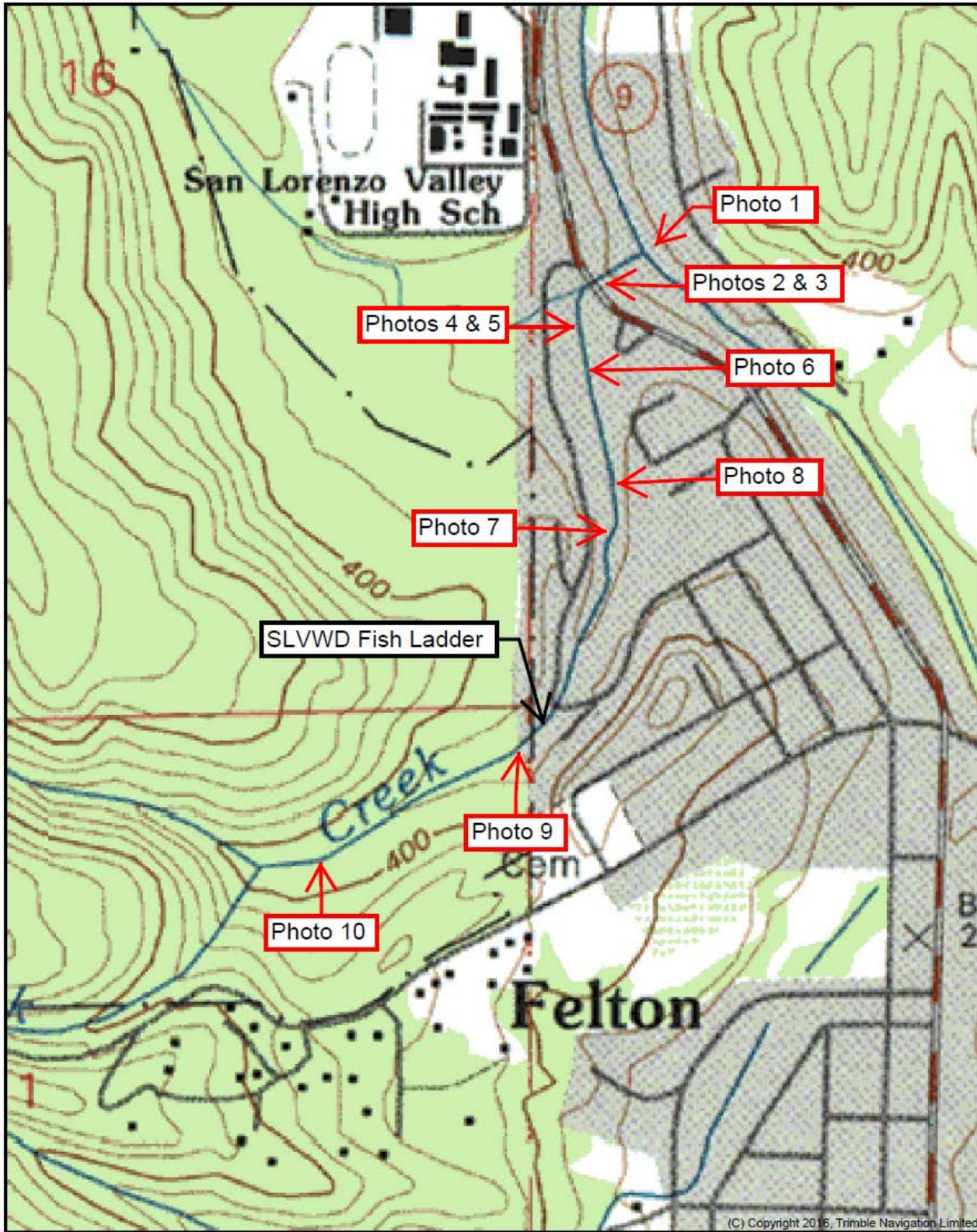


Figure 1. Fall Creek Assessment Photo Points

drop. Although the right-hand side (as seen facing downstream) of this feature contains an intermediary step that divides the total vertical height of the feature, a minimum drop height of approximately 1.2 ft must be negotiated by juvenile salmonids moving upstream across this site.

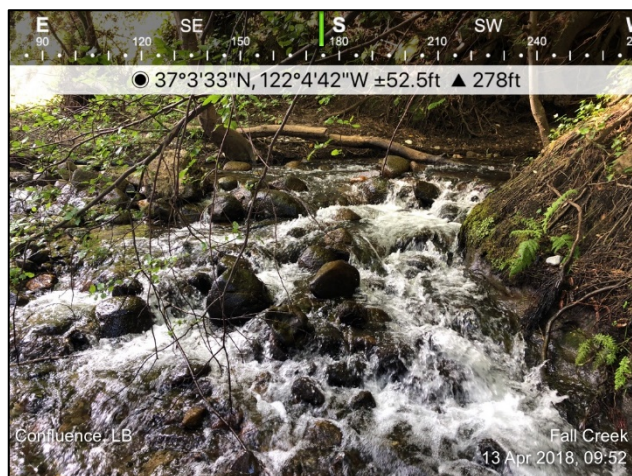


Photo 1. Mouth of Fall Creek



Photo 2. Fall Creek downstream of Highway 9

At the Highway 9 bridge crossing, two boulder weirs associated with an artificial rock wall create vertical drops of approximately 1.3 ft and 0.8 ft (Photo 3). Approximately 200 ft upstream of Highway 9, Fall Creek consists of step run habitat composed of a series of 6-8 boulder drops, each approximately 10 ft apart, along the right bank (Photo 4). The left-hand portion of the channel contains a near channel-spanning log that has formed a low natural dam with no flow over it and unknown fish passage availability underneath it (Photo 5).

Approximately 500 ft upstream of the Highway 9 bridge crossing, a cobble-and-boulder step creates a vertical drop in excess of 1 ft, but a small portion of this step located along the left bank contains an intermediary step (Photo 6) that is expected to provide more favorable juvenile upstream passage conditions.

Approximately 1,200 upstream of the Highway 9 bridge, a major, channel-spanning log jam presents a vertical drop in excess of 4 ft (Photo 7). The channel upstream of the log jam has aggraded to within 1 ft of the top of the jam and prevents any fish passage underneath or through the jam.

Although pools account for only 25% of the Fall Creek habitat in Fall Creek below the SLVWD fish ladder (Alley 2015), a few pools with residual pool depths exceeding 2 ft and associated woody debris cover were observed during the assessment (e.g., Photo 8).

Approximately 300 ft upstream of the fish ladder, another cross-channel log creates a 2.5 ft drop (Photo 9). The only potential passage corridor around this feature consists of a narrow (1 ft wide), large cobble step sequence with vertical drops in excess of 0.5 ft. Alley (2016) noted an even taller log step approximately 1,300 ft upstream of the ladder (Photo 10).



Photo 3. Fall Creek at Highway 9

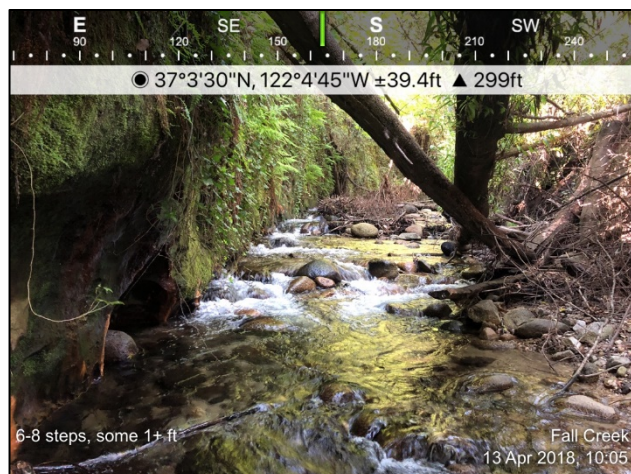


Photo 4. Fall Creek 200 ft upstream of Highway 9 (right bank)



Photo 5. Fall Creek 200 (left bank) adjacent to Photo 4 above

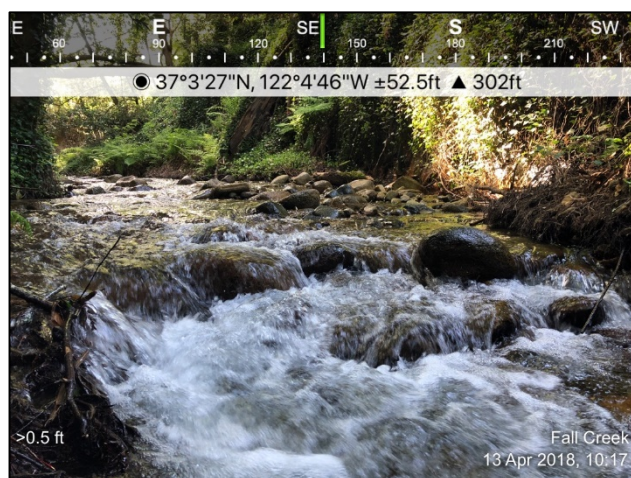


Photo 6. Fall Creek 500 ft upstream of Highway 9



Photo 7. 4+ ft tall debris jam 1,200 ft upstream of Highway 9

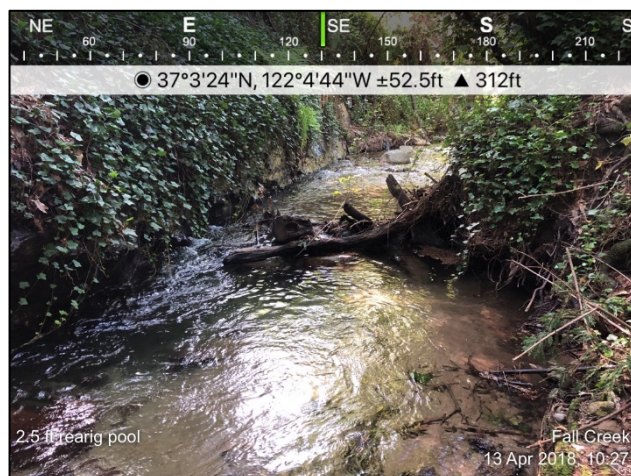


Photo 8. Representative scour pool (2.5 ft deep) in Fall Creek



Photo 9. Log step 300 ft upstream of fish ladder

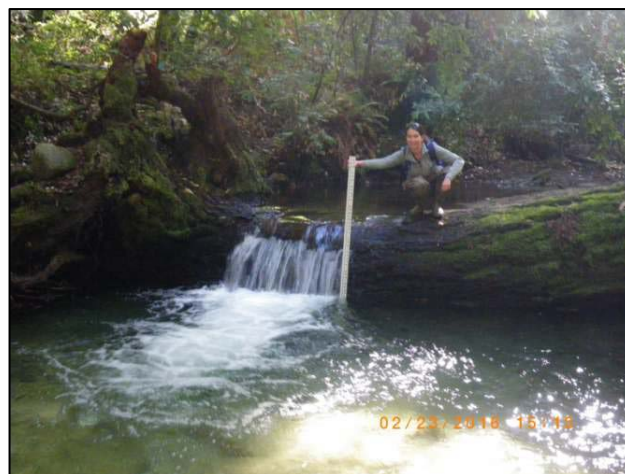


Photo 10. Log step 1,300 ft upstream of ladder (Alley 2016)

Discussion

A number of existing channel features with vertical drops in excess of the standard 6-inch juvenile passage criterion were identified in Fall Creek in April 2018, both below and above the District's fish ladder. Some of these features consist of legacy anthropogenic structures (e.g., boulder weir), but most are natural features such as fallen logs, woody debris jams, and step-run sequences. While these existing features are not as permanent as concrete structures such as fish ladders, features like these can be expected to be present throughout Fall Creek at any given time, particularly due to its confined channel morphology. Fallen logs appear to get caught easily in the incised Fall Creek channel and readily form small cross-channel dams. Upstream movement of juvenile salmonids, particularly age 0+ fish, is expected to be naturally challenging in Fall Creek during baseflow conditions.

Fall Creek is one of the most shaded and coolest tributaries in the San Lorenzo River watershed (SLVWD 2009). The stream gradient is moderately steep and dominated by shallow, fast riffles with few pools. Fall Creek below the SLVWD fish ladder extends approximately 0.5 mile to its confluence with the San Lorenzo River. This reach is steeply entrenched and has a moderate gradient. Alley (2015) conducted habitat typing on Fall Creek upstream and downstream of the SLVWD fish ladder as part of an ongoing long-term, county-wide juvenile steelhead monitoring program. The 0.46-mile reach immediately downstream of the ladder (Reach 15a) consists of a moderate-gradient (3%), entrenched, narrow and heavily shaded channel reach dominated by shallow riffle habitat with limited pool habitat for rearing age 1+ steelhead or coho salmon. Riffles account for 50% of habitat units, while pools account for only 25% of available habitat within the reach. Pools are generally shallow with mean and maximum depths of less than 1 ft (Alley 2015). Upstream of the District's fish ladder, Alley (2015) found similar habitat conditions. While the upper survey reach (Reach 15b) is less confined, riffles account for an even higher percentage (61%) of habitat, with pools accounting for 24%.

Fall Creek summer water temperatures are cool above and below the fish ladder. From June 10 through September 30, 2016, the maximum weekly average water temperatures (MWAT) in Fall Creek remained

below 15.5°C near its confluence with the San Lorenzo River, and below 16.0°C immediately above the ladder (Alley 2017a).

In addition to similar habitat conditions upstream and downstream of the fish ladder, juvenile steelhead population trends also appear to be comparable. Average total juvenile steelhead densities below (Reach 15a) and above (Reach 15b) from 2014 through 2017, the only years in which sampling was conducted at both sites, were 33.8 fish/100 ft and 39.7 fish/100 ft, respectively, and age 0+ steelhead densities were 40.3 fish/100 feet and 49.7 fish/100 ft, respectively (Alley 2018; 2017b).

The comparable habitat conditions, near-identical water temperatures, and similar juvenile steelhead densities upstream and downstream of the fish ladder, suggest there may be little incentive for juvenile steelhead to move between these two reaches during the summer and fall baseflow rearing seasons. An overall lack of significant summer movement of juveniles has been reported by researchers in different watersheds. For example, Sogard et al. (2009) reported high summer and fall site fidelity of tagged age 0+ and age 1+ steelhead within 100-meter sampling reaches throughout the Soquel Creek watershed.

Similar to most of the smaller San Lorenzo River tributaries, age 0+ steelhead that rear in Fall Creek are relatively small (50-80 mm FL). Age 1+ steelhead in Fall Creek are also small (100-140 mm FL) and scarce, suggesting that the downstream movement of age 0+ into the San Lorenzo River to grow a second year is a favorable life history Fall Creek. Age 1+ steelhead likely move downstream to the San Lorenzo River early in spring in order to grow enough to smolt. As such, the important role of Fall Creek for steelhead within the San Lorenzo River is to provide spawning and fry production to seed the mainstem San Lorenzo River, where rearing conditions are much better and overwinter habitat is readily available (Smith, unpublished).

Lastly, steelhead are regularly observed rearing within the chambers of the existing fish ladder (prior to the 2017 filling of these chambers with sediment). Within Fall Creek, where pool habitat is generally sparse and shallow, these chambers appear to provide high quality rearing opportunities. Modification of the ladder to accommodate 6-inch jump heights within the existing footprint of the ladder would require dividing each chamber into approximately half of their current volume and surface area with additional weir structures. This approach may reduce the availability and/or quality of the rearing habitat potential of the ladder, which appears to be its primary salmonid function during summer and fall baseflow conditions.

Given (1) the presence of existing natural and anthropogenic features exceeding 6 inches in vertical height in Fall Creek upstream and downstream of the ladder; (2) the similarity of physical habitat conditions, water temperatures, and juvenile steelhead population densities upstream and downstream of the ladder; (3) the documented strong summer and fall site fidelity of juvenile steelhead; (4) the apparent function of Fall Creek and other San Lorenzo River tributaries as a spawning and fry production sites for subsequent seeding of the mainstem San Lorenzo River; and (5) the apparent rearing habitat quality of the existing ladder, a variance from the standard 6-inch jump height requirement for juvenile salmonid upstream passage appears warranted for the Fall Creek Fish Ladder.

References

- Alley, D.W. 2018. 2017 Summary Report – Juvenile Steelhead Densities in the San Lorenzo, Soquel, Aptos and Pajaro Watersheds, Santa Cruz County, CA. Prepared for the Santa Cruz County Environmental Health Department.
- Alley, D.W. 2017a. Draft Report to the San Lorenzo Valley Water District – Fishery Implications of Water Temperature Data Collected in 2014–2016.
- Alley, D.W. 2017b. 2016 Summary Report – Juvenile Steelhead Densities in the San Lorenzo, Soquel, Aptos and Pajaro Watersheds, Santa Cruz County, CA. Prepared for the Santa Cruz County Environmental Health Department.
- Alley, D.W. 2016. Discussion Draft Fall Creek Salmonid Passage Study, Downstream of the Fish Ladder, Santa Cruz County. Prepared for San Lorenzo Valley Water District.
- Alley, D.W. 2015. 2014 Summary Report – Juvenile Steelhead Densities in the San Lorenzo, Soquel, Aptos and Pajaro Watersheds, Santa Cruz County, CA. Prepared for the Santa Cruz County Environmental Health Department.
- Sogard, S.M., T.H. Williams, and H. Fish. 2009. Seasonal Patterns of Abundance, Growth, and Site Fidelity of Juvenile Steelhead in a Small Coastal California Stream, Transactions of the American Fisheries Society, 138:3, 549-563.

M E M O

TO: Board of Directors
FROM: District Manager
SUBJECT: Scheduled Rate Increase
DATE: September 5, 2019

Recommendation:

It is recommended that the Board of Directors review this memo and take no action in regards to Fiscal Year 2019-20 September rate increase.

BACKGROUND:

In 2017, the District conducted a rate study, which resulted in the approved 5-year rate increase. This occurs with the November billings of each year ending in Fiscal Year 2021-22 (see attached). The additional revenues produced are for needed investment in capital improvement projects and to increase the District's reserve funds. In addition, the restructuring lead to more consumption based rates versus the fixed basic portion.

The increase for Fiscal Year 2019/20 is 6%.

Fiscal Year 2020/21 and Fiscal Year 2021/22 will each have 5% increases.

In August 2019, the District pledged net revenues to secure \$14,500,000 in funding for capital projects. The market conditions and the healthier projected financial future of the District made this favorable financing possible.

Additional information on the rate study, rate increases, and recent debt financing can be found on the District's website.

Attachment

WATER RATE SCHEDULE		Prior Rates	Adopted FY 2017-18	Adopted FY 2018-19	Adopted FY 2019-20	Adopted FY 2020-21	Adopted FY 2021-22
Fixed Service Charge							
5/8"	per account	\$34.00	\$28.27	\$30.24	\$32.06	\$33.66	\$35.34
3/4"	per account	\$34.00	\$28.27	\$30.24	\$32.06	\$33.66	\$35.34
1"	per account	\$56.50	\$42.36	\$45.33	\$48.05	\$50.45	\$52.97
1 1/2"	per account	\$114.00	\$77.61	\$83.04	\$88.03	\$92.43	\$97.05
2"	per account	\$181.50	\$119.91	\$128.30	\$136.00	\$142.80	\$149.94
3"	per account	\$341.00	\$232.70	\$248.98	\$263.92	\$277.12	\$290.97
4"	per account	\$567.00	\$359.58	\$384.75	\$407.84	\$428.23	\$449.64
Volumetric Charges for all water consumed							
Tier 1	0-4 CCF	\$3.81	—	—	—	—	—
Tier 2	5-15 CCF	\$4.97	—	—	—	—	—
Tier 3	16-50 CCF	\$5.96	—	—	—	—	—
Tier 4	51+ CCF	\$6.61	—	—	—	—	—
Drought Surcharge	per CCF	\$1.00	—	—	—	—	—
Flat Rate (Uniform)	per CCF	\$4.64	\$10.12	\$10.83	\$11.48	\$12.06	\$12.66
Revenue Stabilization Rates for all water consumed*							
10%*	per CCF		\$11.13	\$11.91	\$12.63	\$13.27	\$13.93
15%*	per CCF		\$11.64	\$12.45	\$13.20	\$13.87	\$14.56
20%*	per CCF		\$12.14	\$13.00	\$13.78	\$14.47	\$15.19

*Revenue stabilization rates would be implemented if current revenue from water sales are below the percentages indicated. This would replace the current flat rate.

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT Board Member Committee Assignments
DATE September 5, 2019

Recommendation:

With the addition of Rick Moran to the Board of Directors, it is recommended that Board committee assignments be reviewed for possible changes.

Background:

The San Lorenzo Valley Water District Board of Directors Policy Manual provides for four standing committees and SMGWA, with Board members. Following are the current committee assignments:

Administrative - Fultz, Henry

Budget & Finance - Fultz, Henry

Engineering - Farris, Swan

Environmental - Farris, Fultz

SMGWA - Henry, Swan, alternate: Farris

Each standing committee shall have no power or authority to commit the District or to take any action on behalf of the Board of Directors. Standing Committees shall hold meetings at such times, frequency and locations as deemed necessary by consensus of the committee members. Committees are encouraged to meet at least monthly.

It shall be the responsibility of the Board President to appoint and disband all committees, subject to Board of Directors approval.

MEMO

To: Board of Directors
From: District Manager
Subject: San Lorenzo Valley Water District Strategic Plan Review
Date: September 5, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and the attached San Lorenzo Valley Water District Strategic Plan and discuss updating the plan and provide staff direction.

BACKGROUND AND OVERVIEW:

The Strategic Plan serves as a framework and basis for decision making and detailed planning over an extended period of time. As a top level planning document, a strategic plan confirms the overall mission for an organization, affirms the vision by looking out into the future, assesses core values as how an organization will do business, and creates a roadmap of actions and activities to best position for continued mission success.

The District's current 2016 strategic plan was approved December 2016. On February 21, 2019 the Board discussed updating the current plan and decided to move forward with updating the plan.

Director Fultz submitted a draft Strategic Plan for consideration. The attached plan is intended to provide a draft, and only a draft, for Board discussion and consideration. Also attached for your review is the Districts current plan.

San Lorenzo Valley Water District

2019 – 202x Strategic Plan

Approved xx/xx/2019

Mission Statement

The primary mission of the San Lorenzo Valley Water District is to provide our customers with reliable, safe, high quality water at the lowest possible sustainable price.

To support this primary mission, the District must:

- improve the District's fiscal vitality and infrastructure integrity, for current and future generations;
- maintain a robust water supply to meet current customer and future demographic demands, in addition to adequate flows to support fire suppression;
- provide outstanding service and community relations; and
- protect the environmental health of the land and aquifer upon which the District's water sources depend and facilities reside.

1.0 Introduction

What is a Strategic Plan?

A Strategic Plan is a broad-vision, top-level policy document for the District to set clear direction for all aspects of its mission. It serves as a framework under which tactical and operational decisions are made by District staff and approved by the Board over a multi-year period. It is a concise and disciplined effort to articulate the Board's vision for the District.

Each year the Board of Directors will review the Strategic Plan. Concurrently, the Board will review the District's staff tactical and operational plans every quarter.

The District is committed to prioritizing, planning and implementing Strategic Plan projects in an inclusive and transparent manner. We welcome and encourage input from the entire San Lorenzo Valley Water District community.

Assessment of SLVWD's Strengths, Weakness, Opportunities and Threats (SWOT)

The table below provides a summary of our District assessment.

Strengths <ul style="list-style-type: none"> • Community • Staff • Water Sources Diversity • Water Practices and Conservation • History 	Weaknesses <ul style="list-style-type: none"> • Money • Customer Density (relative to other Districts) • Historical lack of investment in infrastructure • District Size (# customers relative to other Districts) • Geography • Reserves
Opportunities <ul style="list-style-type: none"> • Water Sources • Water Distribution • Technology • Leveraging Assets • Operational Efficiencies • Growth (selected) • Bulk/wholesale water sales 	Threats <ul style="list-style-type: none"> • Natural and human-caused disasters • Regional Water Planning • Felton Permit Overdraft • Increased Regulation (relative to value of regulation) • State drive to consolidate districts

A strategic plan is also intended to help leverage our strengths, find creative ways to minimize the impact of our weaknesses, pursue opportunities and either avoid or prepare for threats.

1.0 Introduction

Strategic Plan Theme: Focus

The District assessment shows a full range of important topics for the SLVWD to address over the next five years, and beyond. The Board believes a district strategic plan must have one overarching theme: **Focus**. Without it, the District could stray from our primary mission.

To the SLVWD Board, management and staff, **Focus** provides a set of guidelines to use when making decisions about how to:

- spend money—and save money
- decide which tasks merit investment of staff and Board time
- allocate resources to implement day-to-day tasks
- measure the effectiveness of the resources allocated in a clear and transparent fashion (operational metrics)
- recalibrate as needed based on outcomes and variances from desired results
- determine the scope of activities and other pursuits for District involvement

San Lorenzo Valley Water district is a small district, with approximately 8,000 customers spread out over about 60 square miles and served by close to 170 miles of pipeline and 38 storage tanks. To be successful, our District must **Focus** on the activities necessary to deliver on its core mission—ensuring that water is there when we open the tap in our homes, today and for decades to come. To overcome our small size, low-density and limited resources, our District must be “ruthlessly efficient”, working as hard as possible to bend our operating cost curve downwards to ensure as much of our ratepayers’ money as possible can go towards urgently needed infrastructure improvements.

There are several key areas the District must address to support our **Focus**, as outlined in this Strategic Plan.

- Finances
- Infrastructure, including fire suppression resources
- Operations
- Water Stewardship
- Civic Engagement
- Organization and Staffing

With one additional special topic: Bear Creek Estates Wastewater.

1.0 Introduction

Long Term Vision

The San Lorenzo Valley Water District is now in its eighth decade of service to our local community, which stretches from almost Highway 17 in Scotts Valley through Zayante, Lompico, Felton, Ben Lomond, Brookdale, Boulder Creek and all the way to north of Boulder Creek. While the District's service area boundaries have expanded over the years, its founding principles have not changed. The SLVWD represents the essence of local government: an agency that is governed by its local community through its locally elected Board of Directors. The District reaffirms its commitment to maintaining this local focus and control for generations to come.

While this document focuses on the next five years, the vision guiding our plans must stretch out towards a more distant horizon, one that encompasses the timeline for future generations.

There are four long-term trends that may affect the District during the next two decades:

1. **Growth.** The SLVWD community is a no-growth area with limited opportunities for additional housing. However, portions of our District in Scotts Valley could see significant growth, based on that city's current pro-growth cycle. New septic technologies may enable limited in-fill growth in select areas of the SLVWD community. Finally, while the number of dwelling units in the SLVWD may not grow substantially, the number of people per dwelling unit may possibly grow, resulting in an overall population increase as more young families move to our community to take advantage of our unique way of life (which is only 35 miles from the center of the most dynamic economic engine the world has ever seen—Silicon Valley). Historically, the SLVWD population was about 30% higher just two decades ago when we had more and younger families. More people per housing unit means more water required to serve that population.
2. **Drought.** While drought—even severe drought—has come and gone throughout the decades, climate forecasts now predict droughts may be longer and more severe. Those same forecasts predict that we will receive the same average rainfall, but it may also be in shorter, more intense events. We recently experienced the worst drought our area has seen in the past three decades. During this drought, and combined with the increase in water rates, the SLVWD residential customers substantially reduced indoor and outdoor water use, more than 30% overall, down to an average of under 60 gallons per day from July 2016 to June 2017 (assuming an average of about 2.6 residents per SLVWD residential customer). While indoor and outdoor usage has crept up a little since then, to an average of just over 60 gallons per day, it will be a major challenge for most District customers to reduce another 30% to 42 gallons per day, during the next drought. While our customers have shown that they are prepared to conserve as much as possible when needed, a prudent and rational plan must also include expanding our water supply sources and, if feasible, storage, to provide more of a buffer against the droughts that will come our way. It's also important to note that the average rainfall over the last 39 years, as measured by the District, is the same as the average rainfall measured by the District for the last 10 years—49.16 inches.

1.0 Introduction

3. **Natural disasters.** Earthquakes, severe and concentrated rainfall, mudslides, and wildfire are a constant threat to our community. Over the past several decades, we have been hit with disasters, including recent disasters—severe concentrated rainfall (2017) which led to substantial damage to District facilities and wildfire (2017 and 2018), which were quickly suppressed. We hope for a calm future but we must plan for the worst. When disaster strikes the District and the community must be prepared to work together to do whatever is necessary to keep the water flowing.
4. **Infrastructure and deferred maintenance.** Many elements of our water system are well beyond their design lives. Replacing old and failing infrastructure has not been a funding priority for the District in the past. We have a responsibility to modernize our system so that when we pass it on, the next generation doesn't have to pay more than its fair share.

The Board's strategic goals

The current board has committed to **bending the operating cost curve down** while fundamentally **changing our District's spending patterns** so that every dollar that isn't essential and necessary to deliver water or needed to meet regulatory requirements will be **channeled into infrastructure**. To provide our community with a clear picture of the state of our infrastructure, our top priority is the completion of a **Water Master Plan**, a comprehensive inventory of our system, including design life and how much of that design life is left as well as the cost to modernize our infrastructure for future generations.

Modernizing our infrastructure will cost money. The District is behind schedule in that effort and so to bring the infrastructure up to date we are committed to **operating efficiently** (through use of technology) and being as cost-effective as possible through **operational measurements** which will be made available to our community. To that goal we intend to be completely and **maximally transparent** about operating costs, liabilities (funded and unfunded), and the state of our infrastructure and the costs associated with modernizing. We intend to **look for every creative financing source** and improvement method possible in order to keep the direct costs to our local community as low as possible. We are **committed to supporting staff** in finding ways to **bring construction and operating costs down**, working cooperatively with neighboring water districts to **enter into win-win arrangements** and by working with our state and federal legislators for **regulatory relief** to small districts like ours without compromising the quality of the water delivered to our taps.

This is a living strategic plan, and we welcome and encourage the participation of our staff and the public in finding creative ways to meet District objectives and **sustainability**.

2.0 Finances

Overview

Fiscal oversight is the Board's #1 job. Spending money wisely is the District's #1 job.

Goals

To that end, the Board establishes seven financial strategic goals:

1. Reduce the growth rate of operating expenses. Our District must look for ways to bend the operating expense curve downwards through strategic focus, more efficient operations and tight cost control, including leveraging technology for operations and customer service (e.g., customer and field service software integrated with the District's communications systems) that shows a positive Return on Investment (ROI) and provides the District with more visibility into how to improve operational efficiencies. To support this goal, financial and operating costs (metrics) will be established to show our customers that money is being spent well and wisely.
2. Over a period of 5–7 years, fund the District's operational and infrastructure reserve funds to sustainable levels as set forth in the District's reserve policy and, once there, maintain those levels. The District will also establish reserve goals for other unfunded liabilities including, but not limited to, unfunded pensions (about \$3.7 million), post-retirement benefits (about \$1.0 million), accrued employee vacation pay (currently over \$500,000), deferred maintenance (currently being calculated) and deferred meter replacement (currently being calculated) as soon as those costs are known.
3. Direct all funds not otherwise needed for reserve funds and operating expenses towards regular, recurring, methodical and incremental infrastructure improvements with a goal of spending between 2% - 2.5% of the replacement cost of our system, once calculated, every year (adjusted for inflation). An example of this approach is a seasonal "pipe crew" to replace leaky pipes; the number of leaks in our aging system drive up our District's operational costs and diverts our field operations staff from other needed activities.
4. Use the District's website to post easy to understand reports and graphics for key performance metrics (e.g., "Top 10"), updated periodically to reflect changes and progress.
5. Achieve and sustain financial reporting awards from independent organizations, which this Board views as a floor, not a ceiling, for the level of financial transparency needed by this District. The District will examine and update its financial reporting schedule and information provided to the Board and public to reflect the key performance metrics.
6. The District will ask for support from the community to change bill payment methods to move away from expensive options like credit cards, to efficient methods like direct pay.
7. Move to multi-year budgets as soon as possible, i.e.: three years detail; 5 years total, and accelerating completion of the fiscal year-end annual report, to improve timeliness and a better ability to monitor results and change course if necessary.

Supplemental Financing

In addition to searching for new revenue sources, District staff will also investigate grants and state funds (e.g., Prop 1). Supplemental resources leverage District resources, and thus protects the District from even greater rate increases. The District will determine proper funding and assistance necessary to support an organized effort to seek out and secure these funds.

3.0 Infrastructure

Overview

This section focuses on new and replacement infrastructure; not maintaining the infrastructure the District already has in place. That will be covered in the next section (Operations).

Historically, infrastructure replacement has been given a lower funding priority. In addition, this Board finds that the SLVWD community has not had sufficient information regarding the state of the District's infrastructure and, more importantly, the cost of replacing that infrastructure over time. This Board will ensure that information is available.

Goals

To that end, the Board establishes nine Infrastructure strategic goals:

1. As rapidly as possible, develop a comprehensive inventory of the District's infrastructure populated with information as determined by the engineering staff and engineering committee (the metadata), with a particular emphasis on fire suppression facilities. This information will vary by infrastructure type (e.g., tanks, pipe, pumps, treatment plant, etc.). However, at a minimum, the inventory will identify the specific inventory item, its age, its design life, its estimated replacement cost in current dollars, its general condition (from the Field Operations staff), customers served, above/below ground, etc.
2. Invest at least 2% - 2.5% per year in infrastructure replacement based on the inventory and to do the engineering work necessary to prepare the projects for construction¹.
3. Working with the Field Operations team, geocode all field activities and repairs, and include other metadata that could be useful for infrastructure improvement decisions (e.g., size of leak, customers served, etc.)
4. Staff the engineering team so as to be able to perform a substantial portion of work in-house, using consultants for only specialized tasks and functions.
5. To support the Board's policy of directing as much of our resources as possible to infrastructure replacement, engineering department tasks which would otherwise drain engineering resources must be minimized or otherwise funded to be self-supporting.
6. All new projects will be assessed for improvements to fire suppression capabilities. For example, to improve fire suppression in residential neighborhoods, the District needs to upgrade its 2-, 3- and 4- inch pipe (about 50% of our installed base of pipe and a majority of our residential service lines) to a minimum of 6 inches, or as determined by design.
7. To support a "catch-up" program to counteract decades of infrastructure neglect, the District will increase its debt while ensuring a conservative debt coverage ratio as determined by District revenues.
8. Review the District's current storage tank and pressure zone design guidelines.
9. Complete the Lompico projects (identified in the merger agreement) as soon as possible.

¹To keep up with replacement requirements, if we assume a current replacement cost of the District's infrastructure at \$150 million with an average design life of 50 years, this means that the District must spend \$3 million a year on replacing water infrastructure. This does not include "catch-up" funding needed due to deferred improvements.

4.0 Operations

Overview

The focus for this section is on maintaining the infrastructure the District already has in place.

Historically, infrastructure maintenance has had a lower priority. In fact, the 2016 Staffing Study stated:

"16. The District is currently not able to maintain an active preventative or predictive maintenance program for most aspects of its physical infrastructure. Based on interviews with operations and maintenance staff, the majority of all work is reactionary. This practice is not sustainable and may ultimately lead to larger catastrophic failure of critical systems impacting public health and safety."

This was a major reason for employee additions made in 2016 and 2017 in the Operations department.

Goals

To that end, the Board establishes five Operations strategic goals:

1. Sustain the ongoing effort to shift the emphasis of the Field Operations team to a proactive focus. To that end, establish and publish, as soon as possible, an ongoing maintenance program and schedule, including items for which maintenance has been deferred. The scope of the initial publication should be at least 15 years into the future with an ultimate goal of through the end of each asset's design life. Once established, execute that maintenance program.
2. Establish an ongoing meter replacement program, based on the meter's design life, along with an examination of the best way to implement that program given the impact of operational costs where most meters are read automatically. A key input into this program is an assessment of using meters past their design life.
3. Establish performance metrics for the Operations department that will augment and/or replace the current metrics in the Operations department monthly reports.
4. Execute a leak detection program at least every 3 years and more often if leak reports (meaning water produced minus water sold minus other internal uses) indicate a need to do so. For example, this will be the subject of one of the performance metric reports. Fixing leaks is important because it's one of the best tools, under District control, to conserve water and augment support for the re-introduction of coho and steelhead into the San Lorenzo river watershed.
5. Continue to monitor, and update as necessary, the laboratory and equipment requirements for water testing as mandated by other governmental agencies and continue the assessment about which tests should be done using SLVWD resources and which tests should be done by external companies, maximizing cost savings.

5.0 Water Stewardship

Background and Current State Policy

In order to ensure an abundance of water for future generations, particularly in light of California's periodic droughts, and given the technology available at that time, our ancestors built storage infrastructure like dams and reservoirs around the state. In Santa Cruz County, the Newell Creek Dam/Loch Lomond Reservoir (owned by the City of Santa Cruz), is the only example of this approach. Due to environmental and regulatory requirements, that approach is no longer possible. Instead, California's current approach appears to be:

1. With a "one size fits all" approach that doesn't take into account regional geography, water sources or climate conditions, requires persons living in California to use no more than 55 gallons of water per day (indoor use) declining to 50 gallons per day by 2030. By contrast, estimates from various groups indicate national average indoor water use per day of 60 – 80 gallons. (The District is in compliance with this requirement.)
2. Focus on replenishing groundwater resources so groundwater reservoirs can act as a substitute for above-ground reservoirs to help during drought years. One possible approach under consideration is to do this via "injection" wells where treated water generated during wet periods is forced, under pressure, back into the underground aquifers. Over time this builds up the groundwater reserves, which can be used during drought years. Treated water injected into the aquifer and later extracted must be treated again. (The District has not yet taken a position on this approach.)

Overview

The SLVWD is unique in two ways among Santa Cruz County water districts:

1. Our District generates about 50% of its water from surface sources and 50% from groundwater sources. Other districts are either all or mostly surface or ground—but not both.
2. About 50% of the water the District produces (and which customers use) already goes back into the aquifer via septic and leach fields.

In addition, the District recently concluded a multi-year, \$800,000+ watershed study which clearly demonstrated that the SLVWD's use of water does not have a measureable environmental impact on either water flow or temperature required for fish—meaning that our District is sustainably supporting the re-introduction of coho and steelhead into our watershed.

Finally, the SLVWD's sale of water is down 20% from 10 years ago (30% from five years ago), and the number of dwelling units inside the District's boundaries has only minimally increased in the last 10 years.

Therefore, these facts, combined with the fact that the District is already at or near the California water usage goals, means that the SLVWD is already supporting sustainability.

5.0 Water Stewardship

Goals

To that end, the Board establishes twelve water stewardship strategic goals:

1. As rapidly as possible, move to managing water resources in the SLVWD as a unified whole rather than as a collection of independent and separately managed resources.
2. Re-establish the use of Loch Lomond water, suspended in the late 1970s, to deliver about 14% of the District's current water consumption, either by treating raw water or purchasing treated water.
3. Resolve the status of the District's Fall Creek permit² as quickly as possible.
4. As available, acquire property, assets or infrastructure with water source potential and/or develop already owned—but unused—water sources.
5. Dispose of surplus and non-strategic property not directly involved in water generation or hosting water generation sources, storage, transport or offsets, and that have no potential to do so—with a goal of transferring selected properties to other entities whose primary focus (and funding) is environmental and habitat remediation and preservation.
6. In light of our District's demographic realities and historically good environmental stewardship, work with federal and state agencies to minimize and reduce the regulatory costs imposed on the District in order to direct as much money as possible to desperately needed infrastructure improvements.
7. Continue to cooperate with federal, state and local agencies and groups to find new ways to continue the current fish monitoring study, recognizing that a significant and fast way to increase water flow for fish is to replace aging and leaky infrastructure.
8. Upgrade and modernize the following reports as quickly as possible: Watershed Management Plan, Urban Water Management Plan, Integrated Pest Management Plan and complete the Blue Ribbon Commission report on broom control options compatible with existing District policy banning glyphosate.
9. Drive the District's participation in the Santa Margarita Groundwater Agency to a conclusion that represents the best interests of the District and its customers.
10. Maintain the District's current operational practices to minimize its output of greenhouse gases in an economically viable and responsible fashion, including energy efficiency, fuel efficiency, use of renewable energy generation (solar) and carbon sequestration made possible through the District's ownership of, or involvement with, resource lands.
11. Maintain water conservation awareness and education through information on the District's new website and ramp up activities as needed during drought years.
12. Update District policies to state that, going forward, the District will not accept ownership of, or responsibility for, any third-party project that has unfunded maintenance requirements, unless those maintenance requirements are either minimal or funded, and unless appropriate indemnification is in place.

² For a variable number of days each year (e.g., in CY2018, 57 days), depending on rainfall, the District, like all water entities before it, operates its Felton system in violation of a state permit. The District must do this to keep Felton residents supplied with water since other state regulatory requirements currently prohibit the importation of water into Felton from other parts of the District. With the City of Santa Cruz perfecting its water rights to the San Lorenzo River, this appears to be a great opportunity to address this issue since those two permits are related.

6.o Civic Engagement

Overview

The Board believes that good civic engagement is the result of maximum transparency, which the Board defines as going well beyond the bare minimum requirements mandated by California law (i.e., Brown Act) or recommended by other groups like the Special District Leadership Foundation (SDLF) or the Government Finance Officers Association (GFOA).

Goals

To that end, the Board establishes seven Civic Engagement strategic goals:

1. Implement a new website, compliant with new California state regulations for public agencies, as soon as possible. The new website must retain the richness of documentation currently provided to the public while having a more modern and easier to navigate look-and-feel. It must also create new areas for each SLVWD department or initiative (e.g., (i) infrastructure construction and (ii) key financial information, with an emphasis on graphics). The website must also have a place for a District video library, which will include not only Board meeting videos but also videos showing District operations and people as well as selected and curated information from third-parties. And finally, the website must support the District's intention to aggressively migrate to lower-cost means of invoicing, receiving invoices and payment.
2. Emphasize electronic communication and engagement. Social media, especially when combined with more outreach to neighborhood groups, is lower cost and has greater reach than printed brochures, separate mailers and most other hardcopy information. Electronic outreach must provide opportunities for all SLVWD departments. Printed material may be used in conjunction with paper bills (e.g., a 6 month newsletter regarding District activities) and should be designed to reinforce overall District messaging.
3. Assign Board members to work with civic organizations and maintain community interaction via tabling, community chats, participation in community events (e.g., Felton Farmer's Market), outreach to civic groups and other agencies in our community and other meetings designed to promote visibility within the community.
4. Conduct periodic customer surveys about selected topics using web-based applications or cloud subscription (SaaS) services.
5. Implement the 2018 Grand Jury recommendations for outreach and training.
6. Using community resources and the Administration committee, develop a Communications Plan to implement these goals.
7. Introduce the use of new technologies (e.g., conference calling, live-streaming, etc.) to committees and Board meetings as soon as possible.

In addition, the District will continue its efforts to collect e-mail addresses to facilitate swift and low-cost communication with customers. In order to ramp up its efforts in social media and the new website, the Board may acquire professional assistance in this area.

7.0 Organization and Staffing

Overview

As identified in the District assessment (page 2), our District staff is one of our key strengths, and the District could not exist without its dedicated staff. Each water district in the state has its own unique challenges—but we believe that the SLVWD is unique in so many areas—and it is a testament to our staff's dedication that water flows to our taps every day even with those challenges.

Goals

To that end, the Board establishes six Organization and Staffing strategic goals:

1. Continue to offer District staff a competitive compensation package commensurate with District size and community resources, recognizing that the SLVWD cannot compete with the far larger and wealthier cities "over the hill", while simultaneously offering a unique work environment and quality of life not available in suburban environments elsewhere. The District will monitor compensation levels through publicly available resources (e.g., Transparent California)—and will maintain current information on them.
2. Resolve the issue of facilities in a manner that leverages existing assets, emerging technologies and workforce flexibility dynamics, while recognizing asset location vulnerability during disasters, in a fiscally responsible fashion. The Board reaffirms its opposition to the "campus project" (2014) and the more recent facilities plan (2017).
3. The Board recognizes that the field operations and administrative staff are the people that know best what is needed to do their jobs. The Board is committed to providing the training, tools and technology the District staff needs to do their jobs better, faster and with greater quality—demonstrating acceptable Return on Investment (ROI)—which is needed to fulfill the District's mission.
4. The Board commits the District to leverage "cloud" applications, to the greatest extent possible, and to minimize its paper-based footprint as much as possible while providing more and better tools to the District staff. This includes mandating electronic generation at the point of document creation while retaining searchability. The District also commits to incorporating geographical-based information (GIS) technology in all of its activities to ensure quantitative decision-making in the future.
5. Recognizing that consultants and other temporary assistance plays a vital role in augmenting staff, particularly at a small district like SLVWD, the District will establish policies that balance speed, workload, skills, cost and transparency in the acquisition process.
6. Starting in FY2019-2020, conduct a staffing review every other year to ensure that staffing levels are optimized for District needs, priorities, funding and community resources, especially as more infrastructure projects get underway.

8.o Bear Creek Estates Wastewater Facilities

Objective

The District will manage the Bear Creek Estates wastewater operation until a successful transition to a more appropriate solution is found and implemented, at which time the SLVWD will exit this line of business. The Bear Creek Estates residents have been more than patient. With the current system at the end of (if not beyond) its design life, it is imperative that the existing system be replaced as soon as possible with a more modern system. Specifically, this means first doing an assessment of possible solutions—which are well-known—including feasibility of each solution for the specific Bear Creek Estates location as well as generating cost estimates. We will then work with our Bear Creek Estates wastewater customers to find an appropriate means of financing the project.

The Board affirms its commitment to getting the feasibility study done as soon as possible, regardless of budget year considerations.

The District has been attempting to find another agency to take over the operation of this facility for years. In light of the lack of interest on the part of Santa Cruz County, or any other agency, it is imperative that the District and the Bear Creek Estates residents face the reality that a takeover by another agency is not likely to happen and to prepare for a different future.

The Board directs District staff to work on financing options and models concurrent with the engineering study. The goal is that when the final numbers come back for each feasible option, those numbers can be plugged into an already built model showing the Bear Creek Estates residents the future cost for a system replacement. Time is of the essence—parallel work is required.

In addition, the Board asks District staff to vigorously seek and identify possible sources of grant or other funding which will reduce the impact to the residents for the replacement of the system. The Board asks District staff to reach out to other wastewater agencies and any other resources to see if they can assist in this effort.

San Lorenzo Valley
Water District

2016 Strategic Plan
Approved 12/01/2016

Mission Statement

Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watershed; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

Introduction

Acknowledgements

This Strategic Plan is a collaborative effort involving many individuals; Directors, public, staff and consultants. A most prominent ‘Thank You’ goes out from the District to Mr. Brent Ives, BHI Consulting. Mr. Ives provided key guidance during the creation of the 2015 Strategic Plan, the strong foundation of our District’s future efforts.

What is a Strategic Plan?

A Strategic Plan is the top level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a rolling five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District intends to accomplish by selecting a rational and balanced course of action. At its highest level, this Strategic Plan seeks to strengthen and build upon opportunities while addressing areas of concern all aimed toward forecasting an optimized future condition. A large part of its intended use is to clarify the future for the Board, Staff, and the public.

The District has made a conscientious decision to actively review and adjust its Strategic Plan on a yearly basis. Each year the Board of Directors will review and update the Strategic Plan, where new items may be added and prioritized, completed work will be acknowledged and archived, and items may be removed or re-prioritized. The District recognizes that there are many plans and projects that will require more than five years to accomplish.

The District is committed to conducting the work of prioritizing, planning and implementing Strategic Plan projects in an inclusive and transparent manner. We welcome and encourage input from the entire San Lorenzo Valley Water District community.

This document will introduce each important strategic goal, actions and initiatives in each of the strategic elements.

Introduction

Strategic Elements

Strategic Elements represent the vital areas of the District's operation and management. Thorough analysis of each area assures that implementation fully supports the Mission and Vision in a comprehensive way, properly covering the District in all areas. As such, Strategic Elements are supportive of the foundational Mission and Vision statements of the District.

The Strategic Elements are as follows:

1. Water Management
2. Watershed Stewardship
3. Capital Facilities
4. Wastewater Management
5. Fiscal Planning
6. Public Affairs
7. Strategic Partners
8. Organizational Health/Personnel
9. Administrative Management

Introduction

Board Vision Statement

The San Lorenzo Valley Water District has committed to the following courses of action:

Every December 31st we will have:

- Completed a review of our 5-year Capital Improvement Program.
- Successfully connected with our communities.
- Cooperated with other agencies.
- Remained successful in watershed stewardship.

By December 31, 2016 we will have:

- Achieved water conservation levels such that we are in the top 10% of California Water Districts for conservation as a percentage of 2013 consumption levels,
- A Staffing Plan that will achieve appropriate service and maintenance levels by 2020.
- A Capital Improvement Program that is flexible and achievable, detailing projects and milestones.
- Successfully implemented a Water Audit and Loss Control Program reducing water loss through leakage

By December 31, 2017 we will have:

- A balanced budget that reflects Mission needs,
- A rate study of our wastewater system and a plan to fully fund required operations and maintenance. or we have transferred our wastewater responsibilities to another agency or JPA.

By December 31, 2018 we will have:

- We have completed the Probation Tank Replacement Project,

By December 31, 2019 we will have:

- Reduced our carbon footprint as well as maintained our commitment to compliance with AB-32.

By December 31, 2020 we will have:

- Completing environmental review, design, finance planning and construction-ready plans for utilizing Loch Lomond water.
- Adequate staffing at all levels as defined by the 2016 Staffing Plan.
- A redundant Quail Hollow Well Project.

Introduction

Accomplishments

In 2015 we:

- Achieved a yearly 24.9% reduction in water consumption compared to 2013 levels, placing SLVWD above the 90th percentile for state water district's conservation efforts in 2015.
- Reviewed our Capital Improvement Program, establishing prioritization of planned projects
- Reviewed and Re-Codified Ordinance 8 into four documents:
 - Rules and Regulations
 - Policies and Procedures
 - Schedule of Rates and Charges
 - Definitions
- Successfully connected with our communities through public budget meetings, CIP public meetings, workshops and symposiums, Social Media and Newsletters, and a variety of published opinion pieces and guest articles in local papers.
- Cooperated with other agencies through joint meetings with Scotts Valley Water District, collaborative efforts with the Fall watershed symposium, among others.
- Successfully implemented a water audit and loss control program, reducing our water loss through leakage by 60,000 gallons

In 2016 we:

- Completed the North-South Intertie Project.
- Completed both the 2010 the 2015 Urban Water Management Plans.
- Successfully transitioned Lompico County Water District into the District service area.
- Funded educational projects that enhance the understanding of the San Lorenzo River watershed or improve the watershed's environmental health.
- Collaborated with other agencies and local stakeholders on large landscape and water resource stewardship efforts across the San Lorenzo Watershed

1.0 Water Supply Management

Objective

To ensure water supplies of high quality and quantities are available for existing and future customers. We will do this by responsibly managing all water and watershed resources under the District's control, developing a diversified water supply, and by partnering with and/or influencing agencies that have an impact on the quantity and quality of current and supplemental water supplies available to the District.

5-Year Strategic Goals:

- 1.1 North - South Intertie
- 1.2 Redundant Quail Hollow Well
- 1.3 Water Sources
- 1.4 Water Audit and Loss Control Program
- 1.5 Felton Infrastructure and Source Water

1.0 Water Supply Management

1.1 North/South Intertie

Currently, the District is comprised of three totally independent water systems: the Northern Distribution System located in the San Lorenzo Valley (Boulder Creek, Brookdale, Ben Lomond, Lompico and Zayante), the Southern Distribution System located in the Scotts Valley area, and the Felton System located in Felton. These three independent water supply and distribution systems are interconnected through intertie pump stations. Currently, the pump stations are available for emergencies only. Free interconnection of the systems would allow for increased reliability and allow the South Distribution System to utilize surplus surface water from the Northern Distribution System during the winter months of normal rainfall years, managing the District's groundwater aquifers through conjunctive-use

Within five years, the District will undertake a CEQA review to utilize the North/South Intertie for enhanced water resource management activities such as the utilization of surface water as a water supply source in the Southern Distribution System for in-lieu groundwater aquifer recharge.

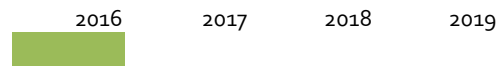
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2018

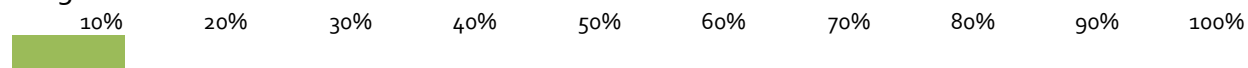
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

03/07/2016 – District staff is preparing budget costs for inclusion in the 16/17 budget year. District staff is analyzing water budgets for each of the three water systems to develop conceptual conjunctive use water transfer quantities.

Summer 2016 – District staff submitted a grant application, in conjunction with the County of Santa Cruz, to conduct appropriate CEQA Study required to lift 'emergency' restriction from intertie use.

1.2 Redundant Quail Hollow Well

The District always strives to properly manage the groundwater aquifers from which it draws. The District operates and maintains two (2) groundwater wells in the Quail Hollow area (Quail Hollow Well No. 4A and Quail Hollow Well No. 5A) of the District's Northern Distribution System. It is assumed that all work activities associated with the Quail Hollow Redundant Well Project would be funded as a budgeted capital outlay project in a future District Annual Budget.

1.o Water Supply Management

At this time, this project is assumed to be a “pay-as-you go” project funded by ongoing revenues received from District water sales and other fees and charges. It is estimated that it would take approximately 36 months to complete the proposed Quail Well Project (Design, CEQA, Permitting, and Construction).

SCHEDULED START YEAR: 2017

EST. COMPLETION YEAR: 2020

START DATE:

COMPLETION DATE:

Schedule:

2017 2018 2019 2020

Progress:

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

STATUS:

Not Started

1.0 Water Supply Management

1.3 Water Sources

The District owns source water rights on multiple streams within San Lorenzo Valley. Additionally, the District has an historical contractual allocation to purchase up to 313 acre-feet per year of raw water from Loch Lomond Reservoir which is owned and operated by the City of Santa Cruz. The District has not utilized Loch Lomond as a source of supply since the late 1970's. A number of project alternatives and accompanying steps exist to revitalize this source of water supply.

The District also owns and operates multiple wells within local groundwater basins. Historically, the groundwater basins utilized by the District have experienced overdraft and the current groundwater levels remain below historical norms.

Groundwater represents the District's only long-term water storage. Reduced groundwater levels cripple the District's ability to withstand prolonged drought events. Environmentally, lower groundwater levels inhibit groundwater contributions to stream flows.

The District desires to utilize winter flows from available stream diversions and available Loch Lomond water in a conjunctive fashion with available groundwater.

Short Term Goal: Diverting winter flows/Loch Lomond water for use in areas normally reliant on groundwater (South Zone and Manana Woods) provides in-lieu recharge of the groundwater basin.

Long Term Goal: Treatment and storage of available winter/Loch Lomond water in local groundwater basins.

Within the scope of this five-year plan, the District anticipates starting a conjunctive use project to achieve the short-term goal of in-lieu recharge, with steps such as environmental review, design, finance planning and completion of construction ready plans.

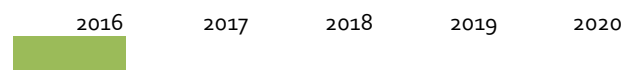
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

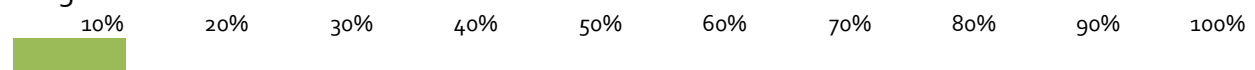
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



1.o Water Supply Management

STATUS:

03/09/2016 - District staff is preparing budget costs for inclusion in the 16/17 budget year. District staff is analyzing water budgets for each of the three water systems to develop conceptual conjunctive use water transfer quantities.

Summer 2016 – In collaboration with the County Water Resources Department, staff has applied for grant funding to fund a conjunctive use plan which would include utilization of Loch Lomond to enhance stream flow in Fall Creek.

Fall 2016 – District staff is engaged in discussions with the City of Santa Cruz, Scotts Valley Water District and Soquel Creek Water District to discuss local projects viewed through a regional lens. District's use of Loch Lomond water is a part of the discussions.

1.0 Water Supply Management

1.4 Water Audit and Loss Control Program

To provide water service to customers the District conveys water through approximately 150 miles of various sizes and ages of water mains. Water loss through mainline leakage can be as high as 20 percent of total water production in an older distribution system such as the District's. To ensure that the District is using its water supplies efficiently, the District will implement a Water Audit and Loss Control program over the next five years that will, conduct a water audit to assess the efficiency of the water distribution system, perform leak detection, identify leaks throughout the distribution system and facilitate repairs, control apparent losses in metering and billing to recover missed revenues and develop approaches for short-term and long-term goal setting for the loss control program.

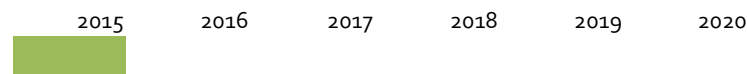
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2020

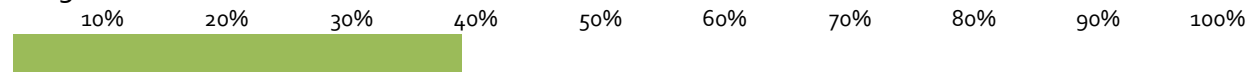
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

03/09/2016 – District conducted first round of leak detection in 2015. District inspected 150 miles of pipeline and repaired 59 previously unknown leaks totaling an estimated 111 gpm (58 MGY). Staff is anticipating a second round of leak detection in the 2017-18 budget year.

1.0 Water Supply Management

1.5 Infrastructure and Source Water

The District conveys water through approximately 180 miles of various sizes and ages of water pipe and appurtenant facilities, including stream/spring diversions, wells and potable water treatment plants.

District infrastructure and water sources are constrained and restricted due to age and deferred maintenance.

Within the next five years the District would like to develop an Infrastructure Master Plan Area that addresses replacement of infrastructure that has reached the end of its useful life.

Within the next five years the District would like to develop a Source Water Master Plan that provides clear goals and objectives to ensure safe and reliable sources of.

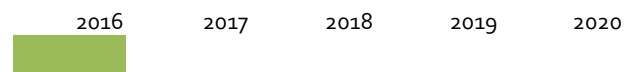
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

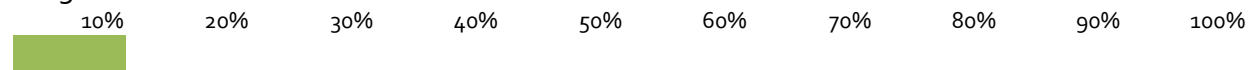
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

03/09/2016 – District staff is preparing budget costs for inclusion in the 16/17 budget year.

2.0 Watershed Stewardship

Objective:

To manage and protect the environmental health of the local aquifers and watersheds.

Summary of 5-year strategic goals:

- 2.1 Watershed Management Plan
- 2.2 Environmental Review of Impacts to San Lorenzo River Watershed
- 2.3 Climate Action Plan
- 2.4 Education Program

2.0 Watershed Stewardship

2.1 Watershed Management Plan

In 2006 the District began to prepare an update to the existing Watershed Management Plan from 1985 including changes in the districts land ownership and service area, changes in watershed conditions, advances in watershed science and habitat restoration, and changes in regulatory requirements. Over the next five years staff will evaluate and identify data gaps and complete the districts Watershed Management Plan.

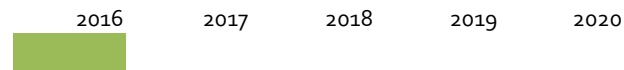
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2020

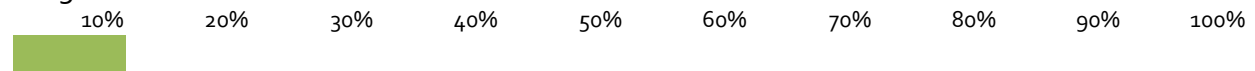
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

Summer 2016- Completed the Plan to Control Invasive Broom and Acacia on the Olympia Watershed

2.0 Watershed Stewardship

2.2 Environmental Review of Potential Impacts to the San Lorenzo River Watershed

Human-induced disturbances in the San Lorenzo River Watershed have altered hydrologic processes by increasing the magnitude and frequency of peak discharges and reducing summer base flows. Urban and rural development is a major source of erosion and sedimentation. Many current and historic human-induced impacts in the San Lorenzo River watershed cause or exacerbate erosion and sedimentation. These impacts to the San Lorenzo River watershed directly impact the San Lorenzo Valley Water District and its community. The District has a long history of watershed stewardship, providing environmental review and comments to proposed projects and plans, which impact the watershed. In the next five years, the District will continue to conduct environmental review on timber harvest, agriculture and development projects that impact the District's water sources and the San Lorenzo River Watershed.

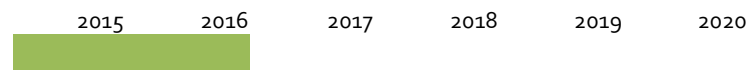
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

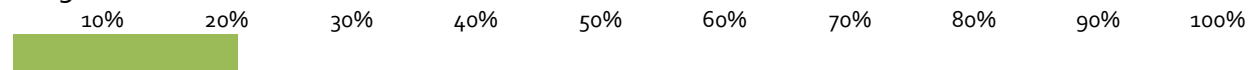
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District has actively engaged in public discussions regarding the Mount Herman Activity Bike Park and the County Cannabis Cultivation Ordinance creation, timber harvest operations that impact District water resources.

2.0 Watershed Stewardship

2.3 Climate Action Plan

In 2008 the District Board approved a climate change resolution committing itself to meeting greenhouse gas emissions to AB32 standards. In addition, the resolution committed the District to addressing potential impacts of climate change in all of its planning documents.

In addition to maintaining the District's participation in the Climate Action Registry through regular emissions inventory reporting, the District will include consideration of additional climate change mitigation and adaptation measures in its ongoing operations, including such actions as: energy efficiency, fuel efficiency, encouraging water conservation, use or purchase of renewable energy generation, carbon sequestration, ongoing watershed stewardship and improved water supply resiliency.

Within five years, the District will have: evaluated the potential for and economic viability of additional renewable energy generation on District property, evaluated the potential costs and benefits of becoming 'carbon neutral' or 'carbon free' and if feasible, bringing forward a proposal to reach that goal. Within five years the District will have consulted with local and state experts on climate change impacts and will have incorporated appropriate adaptation considerations into our Watershed Management Plans.

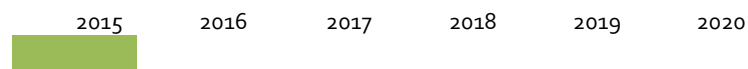
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

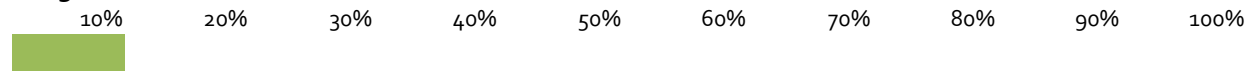
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District has begun reviewing alternative energy options for the Bull/Bennett Pipeline. Staff has begun reviewing battery storage options to offset peak usage and reduce carbon footprint.

2.4 Education Program

To protect the District's water resources over the long term, it is important to raise awareness of water conservation, and watershed protection and stewardship among residents of and visitors to the San Lorenzo Valley River watershed. The mission of the District's Education Program is to provide funding for educational and other projects that enhance the

2.0 Watershed Stewardship

understanding of the San Lorenzo River watershed or improve the watershed's environmental health. Over the next five years, the District will continue to implement both of the education grant programs: the "classic" program and the "data gaps" program, refining them as necessary. Additionally, the District and its Mission has a fascinating history, one that is relevant to today and the future. As such, it is important to share that story.

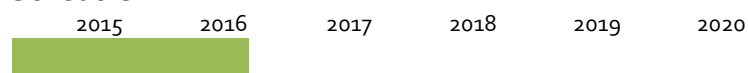
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

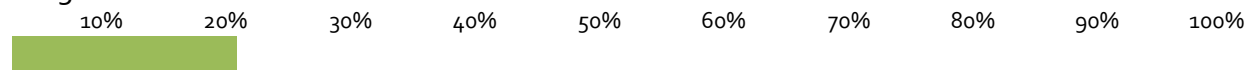
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 - Six Classic Watershed Education Grants are funded annually. Community members, teachers, and nonprofits received grants to fund educational programs which have successfully reached students in every public school in the San Lorenzo Valley.

Monthly newsletters with articles regarding water conservation, watershed stewardship and environmental activities and announcements are distributed to the community via email

3.0 Capital Facilities

Objective:

Properly managing our infrastructure through appropriate maintenance, yearly system condition review and assessment and timely replacement of facilities that have reached or exceeded the end of their service life.

Summary of 5-Year Strategic Goals:

3.1 Capital Improvement Program

3.0 Capital Facilities

3.1 Capital Improvement Program

The District has an ongoing Capital Improvement Program. The project planning and development process of the Capital Improvement Program was established to provide an orderly procedure for the identification, evaluation and prioritization of current and future capital needs of the San Lorenzo Valley Water District. The Capital Improvement Program has been utilized to guide the District's long and short-range planning process by matching identified needs, desired priorities and major capital expenditures. The 2010 Capital Improvement Program lists \$27,455,000 dollars of needed improvements. Over the next five years The 2010 Capital Improvement Program will be updated and progress will be published on the District's website describing the schedules for individual projects by activity, processing time frame and estimated costs for each of the on the projects that are anticipated to be completed over the five years.

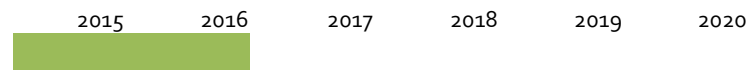
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

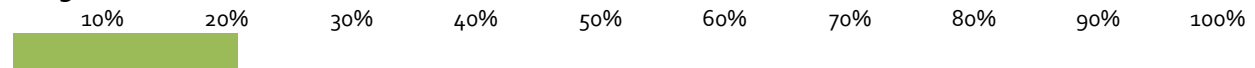
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS: 2016 – District published a ten-year Capital Improvement Plan, including project descriptions and individual project budgets.

4.0 Wastewater Management

Objective:

Properly managing our wastewater operation until the successful transition to a more appropriate entity is achieved. We will work with our wastewater customers and potential successor entities to find a beneficial solution.

Summary of 5-Year Strategic Goals:

4.1 Bear Creek Wastewater Collection and Treatment System

4.0 Wastewater Management

4.1 Bear Creek Wastewater Collection and Treatment System

The District currently owns and operates the Bear Creek Estates Wastewater System which provides wastewater collection and treatment service to approximately 54 single family residences. The District desires to transfer ownership and operation of the wastewater system to a more appropriate agency, such as the County of Santa Cruz, which could operate the system more efficiently. The District will continue to seek resolution of this matter with the County. In the next five years, specific steps toward this goal could include: conducting a rate-study that will establish operational and capital needs of the wastewater system, conduct a Proposition 218 rate increase process that will set rates appropriate to the operational and capital needs of the system, establishing a community dialog with Bear Creek Estates residents, meeting with County representatives on a regular basis to discuss and move this idea forward, and collaboratively establishing a plan with a schedule and key milestones.

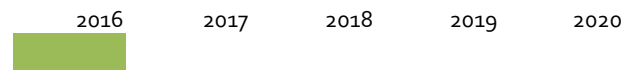
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

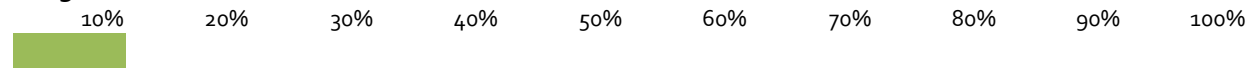
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – District is completing a wastewater cost-of-service study.

5.0 Fiscal Planning

Objective:

To ensure the short and long-term fiscal vitality of the District. The District will forecast and plan income, reserves and expenditures and provide financial resources sufficient to fund on-going operations and the capital improvement program (CIP).

Summary of 5-Year Strategic Goals:

- 5.1 Fiscal Plan for Support of Strategy
- 5.2 Funding Infrastructure Replacement
- 5.3 Provide Support for Applying for and Securing Grants
- 5.4 Obtain the Comprehensive Annual Financial Report (CAFR) Award
- 5.5 Annual Review of the Reserve Fund Policy
- 5.6 Fiscal Transparency

5.0 Fiscal Planning

5.1 Fiscal Plan for support of Strategy

The District will continue to prepare and adopt annual balanced budgets, which reflect the mission of the District. The maintenance of this Strategic Plan will be integrated into the annual budgeting process. Additionally, it is anticipated that those goals, actions and/or initiatives outlined within this Plan will be reviewed and considered for funding as each annual budget is developed.

The District will conduct a multi-year rate study that will take into consideration as a minimum: continued fiscal impact of the drought, projected operational and staffing needs, conservation incentives, fixed rates vs. commodity rates, capital funding needs, and reserves.

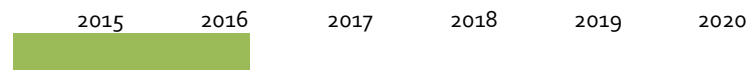
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

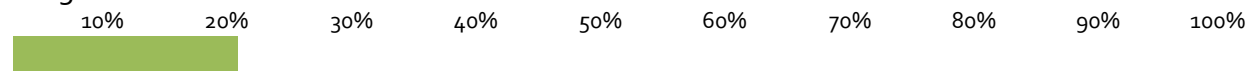
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – District is completing a cost-of-service study.

5.0 Fiscal Planning

5.2 Funding Infrastructure Replacement

The District's ongoing fiscal planning activities will include periodic comprehensive analysis of the infrastructure needs of the District. These are generally outlined in the Capital Improvement Program (CIP). Each year during the budget development process, the capital improvement needs will be considered for inclusion within the upcoming budget for either full or incremental funding.

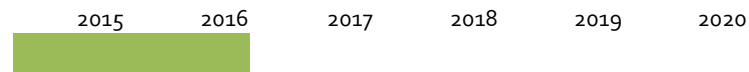
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

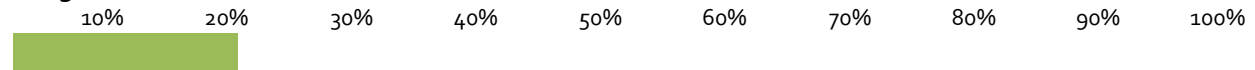
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – CIP projects were included in District's budget for the next fiscal year. District applied for two State Revolving Fund loans; one for Probation Tank Replacement project and one for Swim Tank Replacement project.

5.0 Fiscal Planning

5.3 Provide Fiscal Support for Applying for and Securing Grants

Securing grants for various projects within the District is a best practice and leverages District monies, and thus protects rates. The District will determine proper funding and assistance necessary to support an organized effort to seek out and secure grants as project specific revenues for the District.

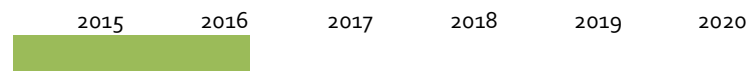
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

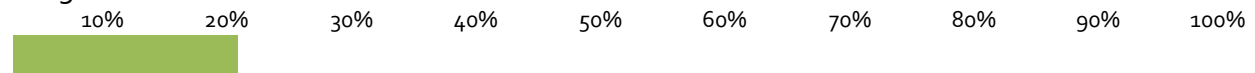
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – District applied for two grants; one to conduct an analysis and to plan to conjunctively utilize water resources through the intertie project, to reduce aquifer overdraft and increase stream flow in Fall Creek and the San Lorenzo River during dry periods. The 2nd grant is a collaborative effort to enhance fish habitat in the San Lorenzo River. It includes provisions that would fund the Fall Creek Fish Ladder project, and a large wood project on District and City of Santa Cruz Watershed Property in the Upper Zayante Watershed. Staff anticipates an answer in November 2016.

5.0 Fiscal Planning

5.4 Obtain the Comprehensive Annual Financial Report (CAFR) Award

A Comprehensive Annual Financial Report is a set of financial statements comprising the financial report of the District that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The CAFR may be considered a more thorough review of the District yearly budget. The Government Finance Officers Association (GFAO) provides a CAFR Award which is the highest form of recognition in the area of governmental accounting and financial reporting. The District's CAFR is evaluated and judged by an impartial panel of the GFOA to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story to its users. Within the next five years the District will earn the CAFR Award.

SCHEDULED START YEAR: 2017

EST. COMPLETION YEAR: 2017

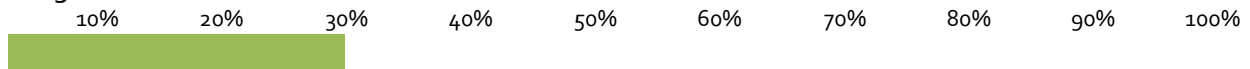
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

Fall 2016 – District has begun incorporating necessary changes to audit and budget process & documents for near-future CAFR.

5.0 Fiscal Planning

5.5 Annual Review of the Reserve Fund Policy

Adequate reserves for the District operations ensure that customers experience both stable rates for service and the security that the District can respond to emergencies, especially regarding water and wastewater quality issues. Adequate reserves ensure that the District will at all times have sufficient funding available to meet its operating, capital and debt service cost obligations, together with future debt or capital obligations, as well as any unfunded mandates, including costly regulatory requirements. The Reserve Fund Policy should be developed to clearly identify specific designated reserve funds, to clearly identify both reserve fund categories and purposes, and set target levels for reserves that are consistent with the District's mission statement, the uniqueness of the District, and the philosophy of the District's Board.

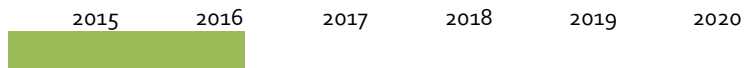
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

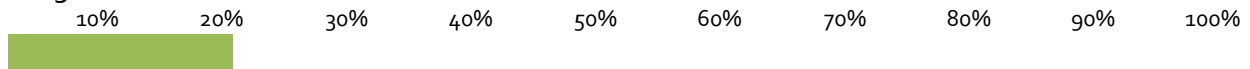
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – District reviewed and updated its Reserve Fund Policy.

5.0 Fiscal Planning

5.6 Fiscal Transparency

Fiscal transparency is a bulwark ensuring appropriate governing and managing of a public agency. Rate payers have a right to review the financial transactions of the District. Within the next five years the District will adopt a Policy detailing the steps and actions the District will undertake to ensure fiscal transparency is available to the rate payers.

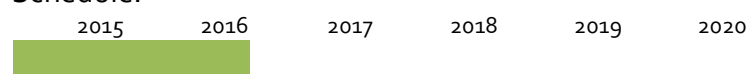
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

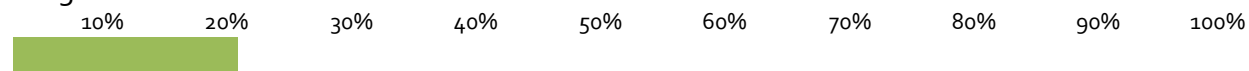
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS: Not started yet.

6.0 Public Affairs

Objective:

To show solid planning, long-range outlook and overall value to our customers. We will do this by being completely transparent and open in our business and decisions. We will identify and employ effective ways to receive input, educate and inform the public and proactively engage with a variety of local media outlets.

Summary of 5-Year Strategic Goals:

- 6.1 Survey Stakeholder Expectations and Understanding of District Issues
- 6.2 Increase Civic Understanding and Engagement
- 6.3 Technology Plan
- 6.4 SDLF Certificate of Transparency

6.0 Public Affairs

6.1 Survey Stakeholder Expectations and Understanding of District Issues

It is important to gauge stakeholder perceptions of the District on a regular basis, to determine how and if perceptions are changing, to improve our service and/or communications and to identify areas where our message is not getting through clearly. Every five years the District will conduct a customer survey such as it did in 2010 to determine what areas of information our customers were interested in and how they would like to receive the information and ask how we might be able to best serve them.

SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2020

START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2015 – District conducted on-line/mail-in poll.

6.0 Public Affairs

6.2 Increase Civic Understanding and Engagement

It is critical that the public, especially our ratepayers, understand the issues that public water agencies face on both the global and local scale. Starting a conversation with ratepayers is a good way to engage them in understanding and solving problems. The Public Relations committee is intended to accomplish this. The outcome and advice of this committee will be considered by the Board of Directors for implementation.

Starting in fiscal 2015/16 the District will conduct a 'State-of-the-District' town hall meeting, presenting to the ratepayers in a concise and engaging manor the current issues impacting the District.

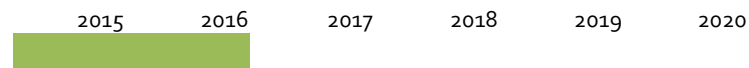
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

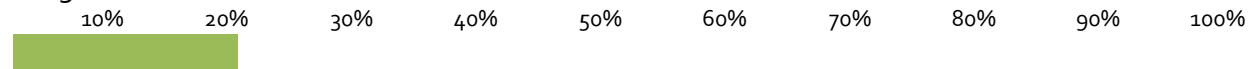
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2015 – District conducted a State-of-the-District meeting in October.

6.0 Public Affairs

6.3 Technology Plan

The District will prepare a Technology Plan that will outline procedures and policies the District will use to continue managing and refining its website (including such features as a calendar function, search capability, and providing more documentation and information resources) and its internet presence (such as Facebook, Twitter, etc.) to facilitate transparency, availability of information, open communications channels and providing useful information to District residents. Additionally, the Technology Plan will incorporate a replacement schedule to keep the District's electronic equipment (office computers, SCADA equipment, and radios) up to date.

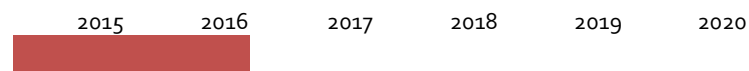
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

START DATE: 2017

COMPLETION DATE:

Schedule:



Progress:



STATUS: Not yet started.

6.0 Public Affairs

6.4 SDLF Certificate of Transparency

Within the next five years the District will obtain the Special District Leadership Foundation 'Certificate of Transparency' as a way to help ensure the public that the District is functioning in as transparent a manner as possible.

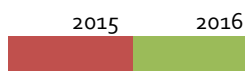
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2015

START DATE: 2015

COMPLETION DATE: 2016

Schedule:



Progress:



STATUS:

June 16, 2016 – District received the SDLF Certificate of Transparency in June 2016.

7.0 Strategic Partners

Objectives:

To foster beneficial relationships with strategic partners to accomplish the goals of the District. We will do this by embracing strategic ties with other organizations, the legislature and agencies, working closely with regulators and participating in professional associations.

Summary of 5-Year Strategic Goals:

- 7.1 Develop Strategic Partnerships with Other Agencies
- 7.2 Through Active Participation, Establish Strong Ties with Regional Planning Groups
- 7.3 Work with Neighboring Agencies and Impacted Private Well Owners to develop a Groundwater Sustainability Agency (GSA)

7.0 Strategic Partners

7.1 Develop Strategic Partnerships with Other agencies

The San Lorenzo River Watershed is a shared resource. Various public agencies oversee how the resource is managed. As such, partnerships and our relations with these other agencies are important. The District will cultivate supportive and positive relationships with other agencies that may impact the District's operations and watershed stewardship efforts.

The Board President and District Manager will meet on a semi-regular basis with representatives from local agencies (including Scotts Valley, City of Santa Cruz, and County of Santa Cruz) to discuss topics of regional concern.

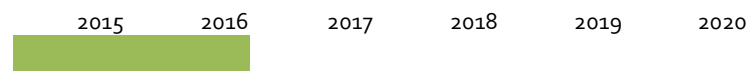
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

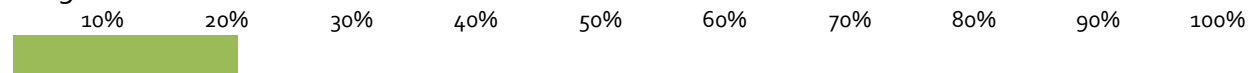
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – District has engaged in regional discussion with representatives from local agencies to discuss topics of regional concern. District has jointly applied with the County on two grant applications. District has met with SVWD and City of Santa Cruz to discuss rate setting process.

Staff is actively collaborating with many groups and agencies to strategize and implement projects and plans which enhance environmental health, sustainability and stewardship in the San Lorenzo Valley. Those groups include but are not limited to:

- Santa Margarita Groundwater Sustainability Agency - Multi Agency Stakeholder group which oversees the sustainable management of our shared aquifer.
- Santa Cruz Mountains Stewardship Network – A multi-agency networks working together to enhance stewardship of large landscapes in the Santa Cruz Mountains
- Water Conservation Coalition- Collaboration of all water districts in Santa Cruz County and the County Water Resources, and Non-Profits to reduce water consumption regionally.
- San Lorenzo 2025- Multi-agency effort to enhance fish habitat in the San Lorenzo River.

7.0 Strategic Partners

- Santa Cruz Mountains Bioregional Council- Dedicated to the preservation and enhancement of regional biodiversity over time through education and dissemination of accurate scientific information and assistance in the planning and coordination and implementation of conservation efforts.
- Felton Library Friends – Community group planning the construction of the new Felton Library and the adjacent Nature Connection Play Area.

7.0 Strategic Partners

7.2 Through Active Participation, Establish Strong Ties with Regional Planning Groups

The District shares the water challenges and opportunities with other public agencies in the region and beyond. This makes the need for positive relations with regional planning groups important to the District. We will proactively seek to play an active role in such activities. Within the next five years the District will join and actively participate in various regional organizations or groups that meet on a semi-regular basis to discuss water related issues and topics of concern to the District.

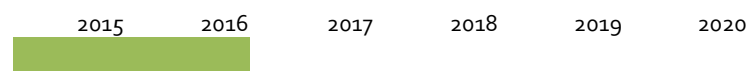
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

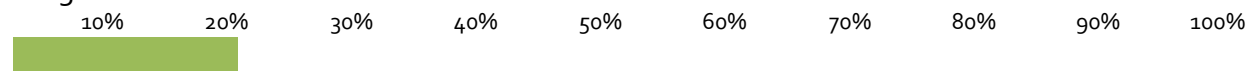
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – District has participated in a number of regional group discussions, including:

- Santa Cruz Integrated Regional Water Management Group
- Santa Margarita Groundwater Advisory Group and Sustainable Groundwater Management Act (SGMA) Joint Powers Agency (JPA) formation sub-group.
- Regional Managers water source project review and collaboration summit.
- Regional Managers internship program collaboration summit.

7.0 Strategic Partners

7.3 Work with Neighboring Agencies and Impacted Private Well Owners to develop a Groundwater Sustainability Agency (GSA)

The District shares responsibility for managing the Santa Margarita Groundwater Basin with the County of Santa Cruz, the Scotts Valley Water District and private well owners within the Santa Margarita Groundwater Basin (SMGB). Since the State adoption of the Sustainable Groundwater Management Act (SGMA), the District has started work with our neighbors on developing a Groundwater Sustainability Agency (GSA).

The Sate defines a GSA as, "One or more local agencies that implement the provisions of SGMA."

The first step in developing a GSA occurred when the District partnered with the County and Scotts Valley Water District to submit a request to the State of California to redefine the boundaries of the SMGB. Prior to our request the State did not recognize SMGB as a medium or high priority basin due to what we believe are clerical errors in the State's defined boundary for the SMGB.

Further accelerated coordination between the District and our partners will be required if the State accepts our request to redefine the SMGB boundaries and adopts the SMGB as a medium priority basin. The formation of a GSA for State identified medium-priority basins is required by June 30, 2017, or two years from basin boundary adjustment, whichever comes later.

Within the next year and a half the District would like to finalize the formation of a GSA with our neighboring agencies and private well owners within the Santa Margarita Groundwater Basin.

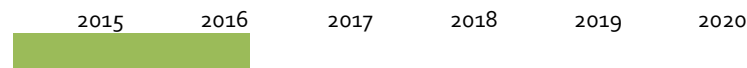
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

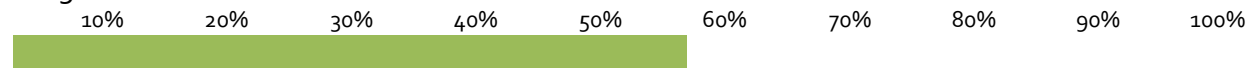
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

7.0 Strategic Partners

2015 – District has begun working with Scotts Valley Water District and County of Santa Cruz in drafting the formation documents for future GSA Joint Powers Agency (JPA) for compliance with SGMA and management of our shared groundwater basin.

8.0 Organizational Health/ Personnel

Objectives:

To employ and retain a high quality, motivated workforce. We will do this by utilizing sound policies and personnel practices, offering competitive compensation and benefits, providing opportunities for training, development and professional growth, while ensuring a safe and secure workplace.

Summary of Strategic Goals:

8.1 Staffing Plan

8.2 Compensation and Benefits Benchmarking

8.3 FLSA Audit

8.0 Organizational Health/ Personnel

8.1 Staffing Plan

As the District grows and considers taking on a larger role in water stewardship within the Valley, staffing will need to be thoroughly considered and factored into the budgeting process. Management will assess the staffing needs of the District annually during the budget development process and as the need presents itself.

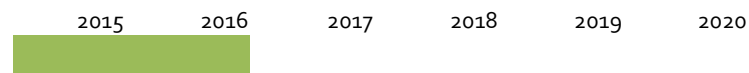
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

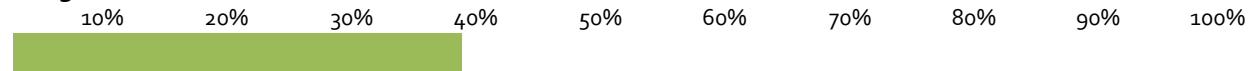
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – Proposed staffing plan has been completed.

8.0 Organizational Health/ Personnel

8.2 Compensation and Benefits Benchmarking

Proper consideration for the total compensation for District employees is an important aspect of being effective and efficient with the public funds. The District will perform a comprehensive salary and benefits study to assure a proper baseline of compensation for District employees. It is anticipated that this study will be conducted by a qualified consulting firm.

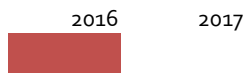
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2017

START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

STATUS: Not yet started.

8.0 Organizational Health/ Personnel

8.3 FLSA Audit

Every five years the District will conduct a Fair Labor Standards Act Audit to ensure that the District is remaining compliant with FLSA rules and regulations.

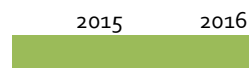
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2016

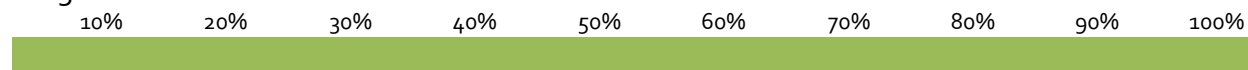
START DATE: 2015

COMPLETION DATE: 2016

Schedule:



Progress:



STATUS:

2016 – Staff, working in conjunction with Paychex (our payroll and HR consultant), conducted an internal FLSA Audit. Determination was that only one position (Board Secretary) was incorrectly assigned per FLSA rules and regulations.

9.0 Administrative Management

Objectives:

Our objective is to create, maintain and implement policies and procedures to ensure sound and efficient management of the District. We will conduct periodic review, refine and implement policies and procedures to ensure that the District Manager and Board have the tools necessary for successfully carrying out the Mission of the District.

Summary of Strategic Goals:

- 9.1 Update Ordinance 8
- 9.2 Board Development
- 9.3 Review Strategic Plan on an Annual Schedule

9.0 Administrative Management

9.1 Update Ordinance 8

Ordinance 8 is the primary source of the District's rules and regulations. Ordinance 8, originally adopted in 1970, has been amended and augmented on numerous occasions by various ordinances and resolutions since the date of adoption. The District will update Ordinance 8, either through a comprehensive review, rewrite and codification or by 'starting fresh', in order to ensure consistency and clear communication between District Board and staff and our customers. Due to the scope and breadth of this project, the District may engage an outside firm to assist with this effort.

SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: 2018

START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – Ord 8 was repealed and replaced with four new documents; Rules and Regulations, Policies and Procedures, Standard Rates and Charges and Definitions. District has begun the process of review and updating individual components of these four documents.

9.0 Administrative Management

9.2 Board Development

It is a best practice of Boards to address their own development and to adopt best practices in their public role. As such, the Board will adopt clear training and orientation methods each year and plan an annualized calendar for Board development and for individual Board members. The Board will also consider and improve its Board Policies and Procedures Manual.

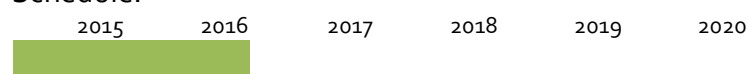
SCHEDULED START YEAR: 2015

EST. COMPLETION YEAR: annually

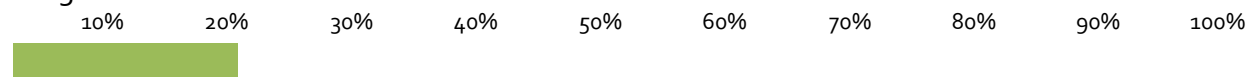
START DATE: 2015

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – Board members have attended local and regional water issues and professional development events such as those presented by ACWA. Board rescinded Ord 8, replacing it with four documents; Policies & Procedures, Rules & Regulations, Standard Rates & Charges and Definitions. Board updated the Board Policy Manual.

9.0 Administrative Management

9.3 Review Strategic Plan on an Annual Schedule.

To properly demonstrate commitment of the District in meeting its mission and vision, we will update this strategic plan annually, usually in February of each year.

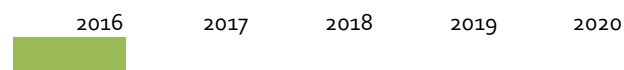
SCHEDULED START YEAR: 2016

EST. COMPLETION YEAR: 2020

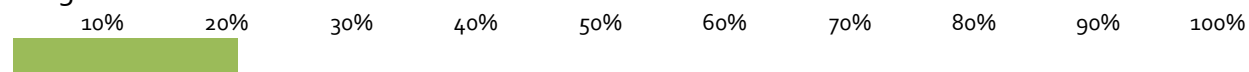
START DATE: 2016

COMPLETION DATE:

Schedule:



Progress:



STATUS:

2016 – Strategic Plan was reviewed and a final 2016 document was approved at the December 1, 2016 Regular Board Meeting.

M E M O

TO: Board of Directors
FROM: District Manager
PREPARED BY: Director of Finance & Business Services
SUBJECT: Annual Disclosure Report of Employee Reimbursements
DATE: September 5, 2019

BACKGROUND:

In accordance with Government Code Section 53065.5, each special district shall, at least annually, disclose and make available for public inspection, any reimbursement paid by the District within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services for product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation or a registration fee paid to any employee or member of the governing body of the District.

RECOMMENDATION:

It is recommended that the Board of Directors accept and file the Annual Disclosure Report of Employee Reimbursements for Fiscal Year 2018-2019.

**SAN LORENZO VALLEY WATER DISTRICT
REIMBURSEMENT DISCLOSURE REPORT
JULY 1, 2018 - JUNE 30, 2019**

DATE	EMPLOYEE	TOTAL	CATEGORY
9/6/2018	MACK, DANIEL	\$103.00	BOOKS
10/4/2018	BLANCHARD, CARLY	\$103.14	MILEAGE
9/25/2018	BLANCHARD, CARLY	\$103.21	FARMERS MARKET, CLIMATE SEMINAR
7/24/2018	FURTADO, JAMES	\$105.00	CERTIFICATION REIMBURSEMENT
1/28/2019	GUIVER, JESSE	\$105.00	TRAINING
4/1/2019	BLANCHARD, CARLY	\$106.14	MILEAGE FOR CONFERENCES
5/20/2019	VIRAMONTES, BENJAMIN	\$110.00	CERTIFICATIONS_D1 & T1 RENEWALS
7/20/2018	FURTADO, JAMES	\$123.00	MEALS
5/29/2019	REED, KENDRA	\$136.20	UNIFORM
10/24/2018	HILL, STEPHANIE	\$137.24	MILEAGE/MEETINGS
8/24/2018	BLANCHARD, CARLY	\$145.39	MILEAGE
1/30/2019	SWEDMARK, KEN	\$150.00	CERTIFICATIONS_T3 & D2
5/23/2019	HILL, STEPHANIE	\$150.00	SAFETY SHOES
5/9/2019	ROBUSTELLI, ANDY	\$151.57	UNIFORM REIMBURSEMENT
8/28/2018	FERNANDEZ, OCTAVIO	\$151.88	UNIFORM REIMBURSEMENT
4/30/2019	DAVIS, JOE	\$152.55	UNIFORM REIMBURSEMENT
12/19/2018	GUIVER, JESSE	\$162.76	UNIFORM REIMBURSEMENT
11/1/2018	GILLESPIE, NATE	\$163.45	SAFETY SHOES
5/29/2019	MACK, DANIEL	\$184.44	MILEAGE REIMBURSEMENT
5/29/2019	BLANCHARD, CARLY	\$184.86	MILEAGE FOR MEETINGS & CONFERENCE
6/28/2019	BEASLEY, JOSEPH B	\$189.66	UNIFORM REIMBURSEMENT
6/12/2019	MACDONALD, BRAD	\$190.29	SAFETY BOOTS
6/28/2019	SIFTON, BEAU	\$194.57	UNIFORM REIMBURSEMENT
8/8/2018	GILLESPIE, NATE	\$195.84	UNIFORM REIMBURSEMENT
11/30/2018	TREGEMBO, JOHN	\$219.84	UNIFORM REIMBURSEMENT
11/1/2018	OLIPHANT, HOWARD	\$241.40	UNIFORM REIMBURSEMENT
8/17/2018	CONE, JOSEPH F.	\$272.45	UNIFORM REIMBURSEMENT
11/1/2018	ROBUSTELLI, ANDY	\$291.85	UNIFORM REIMBURSEMENT
6/19/2019	FERNANDEZ, OCTAVIO	\$303.04	UNIFORM REIMBURSEMENT
6/12/2019	ADAM, DETLEF	\$305.12	UNIFORM REIMBURSEMENT
10/18/2018	MACK, DANIEL	\$310.89	SAMSUNG GALAXY TABLET
1/30/2019	GILLESPIE, NATE	\$311.81	UNIFORM REIMBURSEMENT
8/17/2018	BEASLEY, JOSEPH B	\$314.07	SAFETY BOOTS
11/30/2018	ADAM, DETLEF	\$336.96	UNIFORM REIMBURSEMENT
4/11/2019	BLANCHARD, CARLY	\$379.45	LAKE CACHUMA FIRE SCHOOL, SNACKS FOR BROOM EVENT
8/8/2018	HOSSACK, HOLLY	\$547.66	EMPLOYEE RECOGNITION EVENT
12/19/2018	SMALLMAN, BILL	\$845.96	2018 CSDA CONFERENCE TRAVEL & LODGING
3/26/2019	BLANCHARD, CARLY	\$1,090.97	HOTEL FIRE FIELD SCHOOL
		\$ 9,270.66	

This report was prepared pursuant to California Government Code Section 53065.5.