



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
January 19, 2017**

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 regular meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, January 19 2017 at 5:00 p.m.**, at the Operations Building, 13057 Highway 9, Boulder Creek, California.

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 on the Closed Session portion of the Agenda. Any person may address the Board of Directors at this time, on Closed Session items. Normally, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. No actions may be taken by the Board of Directors on any Oral Communications presented; however, the Board of Directors may request that the matter be placed on a future agenda.

Please state your name and town/city of residence at the beginning of your statement for the record.

4. Adjournment to Closed Session:

At any time during the regular session, the Board may adjourn to Closed Session in compliance with, and as authorized by, California Government Code Section 54956.9 and Brown Act, Government Code Section 54950. Members of the public will be given the opportunity to address any scheduled item prior to adjourning to closed session.

a. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Government Code Section 54956.9(d)(1)

Case Number CV180394-Bruce Holloway, Plaintiff, v. Terry Vierra; San Lorenzo Valley Water District; Showcase Realty Agents, Inc.; Gregory Dildine; Edwige Dildine; and Does 1 to 25, Defendants.

b. CONFERENCE WITH LABOR NEGOTIATORS

Government Code Section 54957.6

Agency designated representative: Brian Lee

Employee Organizations: Classified Employees Unit and Management, Advisory and Confidential Employees Unit

c. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Title: District Manager

d. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION

Paragraph (1) of subdivision (d) of Government Code Section 54956.9

Name of Case: Charlene DeBert v. SLVWD

5. Convene to Open Session at 6:30 p.m. (time certain)

6. Report of Actions Taken

7. 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).

8. 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, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. Any Director may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.

9. Written Communications:

- a. LETTER FROM D. LOEWEN
- b. LETTER FROM J. JEWEL
- c. EMAIL FROM K. JAMES
- d. LETTERS OF OPPOSITION TO LEGAL FEES

10. Consent Agenda:

The Consent Agenda contains items which are considered to be routine in nature and will be adopted by one (1) motion without discussion. Any Board member may request that an item be withdrawn from the Consent Agenda for separate discussion.

- a. MINUTES OF THE BOARD OF DIRECTORS MEETING FROM
DECEMBER 15, 2016
Consideration and possible action by the Board to approve minutes for the
December 15, 2016 Board of Directors meeting.
- b. BILL LIST FOR PERIOD ENDING JANUARY 19, 2017
Consideration and possible action by the Board to approve the Bill List for the
period ending January 19, 2017.
- c. FINANCIAL SUMMARY FOR PERIOD ENDING NOVEMBER 30, 2016
Consideration and possible action by the Board to accept the Financial Summary
for period ending November 30, 2016.
- d. LEAK ADJUSTMENT REPORT - SECOND QUARTER 2016/17
Consideration and possible action by the Board regarding the Leak Adjustment
Report - 2nd Quarter 2016/17.

11. Unfinished Business:

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

- a. 2015 URBAN WATER MANAGEMENT PLAN PRESENTATION
Discussion by the Board regarding the presentation of the 2015 UWMP.
- b. FELTON LIBRARY EASEMENT AUTHORIZATION
Discussion and possible action by the Board regarding the Felton Library
easement.

- c. SAN LORENZO VALLEY WATER DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT, FISCAL YEARS JUNE 30, 2016 AND 2015
Discussion and possible action by the Board relative to the SLVWD Annual Financial Report Fiscal Years June 30, 2016 and 2015.
<http://slvwd.com/finance/SLVWD%20Draft%20CAFR%202016%20v2.pdf>
- d. LOMPICO COUNTY WATER DISTRICT ANNUAL FINANCIAL REPORT, FISCAL YEARS JUNE 1, 2016 AND JUNE 30, 2015
Discussion and possible action by the Board relative to the LCWD Annual Financial Report Fiscal Years June 1, 2016 and June 30, 2015.
<http://slvwd.com/finance/LCWD%202016%20Draft%20FS.pdf>

12. New Business:

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

- a. LOCAL AGENCY FORMATION COMMISSION ALTERNATE NOMINATIONS
Discussion and possible action by the Board regarding nominations for a LAFCO alternate.
- b. RESOLUTION OF SUPPORT FOR REPAIR OF BEAR CREEK ROAD, BOULDER CREEK, CALIFORNIA
Discussion and possible action by the Board regarding a Resolution of Support for Repair of Bear Creek Rd., Boulder Creek, CA.
- c. COST OF SERVICE STUDY
Discussion and possible action by the Board regarding the Cost of Service Study.
- d. PROPOSED RATE STUDY
Discussion and possible action by the Board regarding a proposed Rate Study.
- e. RESOLUTION OF APPRECIATION FOR RANDALL BROWN
Discussion and possible action by the Board regarding a resolution of appreciation for Randall Brown.

13. District Manager Reports:

Information reports by the District Manager, Staff, Committee and Board of Directors.

- a. MANAGER
 - (1) DEPARTMENT STATUS REPORTS
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
 - (i) Q & A from prior Board Meetings

- (ii) Administration
- (iii) Finance
- (iv) Environmental
- (v) Operations

b. BOARD OF DIRECTORS MEETINGS:

- (1) Future Board of Director Meeting Agenda Items
 - (i) Scheduled for the meeting in February 2017
TBD
 - (ii) Scheduled for future meetings
 - (a) AB 1234-Ethics Education & Training (within 1 year of election and every other year after)
 - (b) Form 700-Statement of Economic Interests (annually by April 1)

c. COMMITTEE/DIRECTOR REPORTS:

- (1) Future Committee Meeting Agenda Items
 - (i) Admin
 - (ii) Budget & Finance
 - (iii) Engineering
 - (iv) Environmental
 - (v) LAOC
- (2) Committee Meeting Notes

14. Informational Material:

- a. JUDGE FINDS CONFLICT - Kara Guzman 12.21.16
- b. FORMER SLV WATER DIRECTOR - Barry Holtzclaw 12.22.16
- c. LETTER OF SUPPORT FOR ZAYANTE LARGE WOOD PROJECT
- d. SALMONID RESTORATION FEDERATION APPEAL

15. Adjournment

Certification of Posting

I hereby certify that on January 13, 2017 I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, 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 January 13, 2017

Holly B. Morrison, Dist. Secretary
San Lorenzo Valley Water Dist.

Board of Directors
San Lorenzo Valley Water District
13060 Highway Nine
Boulder Creek CA 95006-9119

January 9, 2017

Overcharges to Lompico Customers
Request for board response and action

We have attended meetings and sent letters to you over the past five months regarding our concerns about continued misunderstanding of merger terms by the San Lorenzo Valley Water District (SLVWD) board and manager, having to do with the Lompico Surcharge. We believe terms and fees are clearly and adequately explained in the merger agreement documents. The agreement allows for reduction or removal of the surcharge if conditions are no longer justified. The pro forma model on which the surcharge is based was for operating Lompico as an independent water system for up to five years, and to repay a third party debt of about \$49,000. These conditions no longer exist. The SLVWD board and manager all admitted to being unfamiliar with merger terms when items were first brought to your attention in April and again in August 2016.

To date the board has heard the testimony of three former Lompico (LCWD) water district board members and three members of the Citizens Advisory for LCWD; all were involved first-hand long-term, and proficient in knowing the merger terms. We and others have offered to meet with you, individually or as a board; to help set up a meeting with former Lompico Directors. We have met with Patrick McCormick of LAFCo, Supervisor Bruce McPherson, and others in the County who helped work on the merger, and relayed to you their offers for their assistance in understanding the agreement.

We have provided evidence to explain and support our assertions, nearly all documents being sourced from the SLVWD's own website and the LAFCo website. We have provided transcripts and recordings of merger meetings, upon the manager's request, to support the evidence further. At the last board meeting, you also heard testimony from an SLVWD customer from Boulder Creek, who had attended many LCWD-SLVWD Liaison Merger meetings, who affirmed the terms allowed the board to reduce the surcharge to reflect changed conditions, and recommended doing so to show good faith.

In addition to misunderstanding of the surcharge terms, we also feel there may be a problem correctly implementing the terms of the Lompico assessment and projects. Both problems seem to derive from a misunderstanding in following agreements and terms understood by the merger architects and voted on by Lompico residents and property owners.

Over the past five months we have repeatedly asked for a report and oversight of ongoing Lompico operations expense claims, for transparency and accountability, as the district continues to bill the Lompico Surcharge. Our concerns about overcharges were most recently brought to the Budget Committee in our letter dated November 20, 2016, with a

request to bring this to the board for remedy, and follow-up public testimony at the December 15, 2016 board meeting. A copy of the letter follows.

The district has been nonresponsive.

The most common response we'd heard from others about this is "*why wouldn't they?*", and astonishment at the board and manager's reaction. It seems not only good policy, but good public relations to substantially reduce or eliminate the Lompico Surcharge immediately, as it shows the district's commitment to fairness and accountability.

We believe the evidence is adequate and above reasons compelling enough to engage the board to direct the Lompico Surcharge be corrected with all haste, and begin an immediate refund to Lompico Customers. We most sincerely wish the district to be trusted, all customers valued, and the merger to be successful.

With respect, there are other reasons to correct the overcharge as soon as possible. As you know in preparing for the next rate increase, the district may not charge more than the cost of service. District counsel will agree that per the California Constitution property based fees fall under Prop 218 requirements for accountability, whether or not they have been imposed via a Prop 218 method. The five substantive requirements are:

- 1) Fees may not be used for any purpose other than for which the fee was imposed
- 2) Revenues derived from the fee can't exceed the funds required to provide the service
- 3) The amount of the fee can't exceed the proportional cost of service attributable per parcel
- 4) No fee may be imposed unless that service is actually used
- 5) No fee may be imposed for general services where available to others at large, in substantially the same manner.

We believe that the Lompico Surcharge has not met these requirements since June 1, 2016.

There has been a lot of misinformation and misdirection that we feel must now be overcome, both in the board and in staff's understanding of the Lompico merger conditions and in what may be charged to customers. We believe that with your renewed commitment to fairness, accountability, and transparency, this can be corrected and you will gain public trust. We request the board's immediate action to remedy the Lompico overcharge.

Thank you.
Sincerely,

Debra Loewen and Ed Frech
Lompico Canyon
San Lorenzo Valley Water District customers

following, included: copy of letter to Budget Committee dated Nov 20 2016;

San Lorenzo Valley Water District
Finance Committee – for Nov 22, 2016 meeting
Directors Chuck Baughman and Randall Brown

November 20, 2016

Resubmitted January 9, 2017: to the entire board

Directors,

We have three items to bring to the Finance Committee's attention and review.

These are all in relation to the Lompico County Water District merger in June this year.

1) **Lompico Audit.** We need your help to understand what you believe is the connection between the Lompico FY 2015-16 final audit and the Lompico surcharge, and what you believe is within the scope of the auditor's work. We are also unclear why and at what time the decision was made to wait for this audit rather than reduce the surcharge by the paid third-party debt as requested. This decision to wait appears to have been made between Sept. 15, after receiving public comment, and the Sept. 27th Finance Committee meeting. At the latter, in response to our testimony, you both said that a decision had been made to wait for the above audit. We are unable to find an agenda or minutes showing this discussion by the board prior to the end of September, and therefore are unable to know the deliberative process by which you, the board, and staff reached this conclusion and decision.

2) **Lompico Water Rate / Surcharge** At your last Finance Committee meeting, in reference to work on a proposed rate increase for the district, Director Randall Brown commented that the district had to be careful of a State law that prohibited charging customers more than the cost of service. We believe this may be the case with the Lompico Water Rate, as conditions have significantly changed since the surcharge was set in the August 2014 LAFCo 953-A agreement.

1) The Lompico water system is not being run as a separate system, as in the pro forma.

2) SLVWD district has not removed the paid debt portion of the surcharge.

We believe this committee has an obligation to report a possible Lompico rate overcharge to the board.

The Lompico Water Rate (aka surcharge) was determined in 2014 by pro forma conditions expecting "worst case" inefficient operation of Lompico as an independent system, plus collection of two third- party debts. The actual operation of the system is instead "best case", due to recent efficiencies as an upgraded SLVWD zone using the intertie, new automated meters, and SCADA to reduce labor; also, both debts were paid in full prior to the merger. The LAFCo item 7(D) "surcharge" is not fixed, but rather described as a "not to exceed" amount, anticipating such reductions. Thus this request is not for renegotiating terms, but asking for affirmation that with these efficiency changes Lompico customers are not being inadvertently overcharged for cost of service, nor State laws broken. The district has told us a review of operations costs must wait until the Lompico FY 2015-16 audit is completed in March 2017. We do not believe this overcharge falls within the scope of auditor's work, but is something the board would want to review and correct as soon as possible in support of Lompico customers, and State law.

3) Oversight of Lompico expenses and review of Lompico audit. There have been some inaccuracies noted in district public presentations regarding Lompico bills and costs, thus we feel oversight is warranted. We do not believe finding this type of error is within the scope of the auditor's work.

We request this committee make a recommendation that, prior to approval, all Lompico expenses on an ongoing basis, and the Lompico audit prior to approval, be formally reviewed by two or more persons from Lompico familiar with terms, preferably including former board president Lois Henry. This could be done via the existing Finance Committee, by appointment, or by forming a separate review entity.

Thank you for considering our concerns and suggestions.

Debra Loewen and Ed Frech

1/4/17

Dear President and Members of the \Board:

I have been a customer of SLV Water District since 1997 when I bought my home on El Solyo Heights Drive. My payments have always been on time and my typical water usage is minimal with my average monthly bill about \$40. I live alone since my children left in 2004 and I do everything I can to conserve water as shown by my water usage for many years.

During early November 2016 it was stormy and rained quite a bit. The roads and my property were both very wet. On Sunday, November 13th it has dried out some and my son in law noticed a stream of water coming from the hillside of my property onto the road. He immediately turned off the water main and I reported the break to the water department the next day.

I had no water for over 2 weeks during which time plumbers were hired to come out and find the leak (s) which were caused by the roots of a large oak tree encircling the pipe and breaking it. The repairs cost me \$875. I also plan on having the tree removed in the next few months which will cost another \$900. or more.

My water bill for this time period came in at around \$770. I called into the office and was told to submit a request for a one time leak adjustment which I did, and pay my customary amount of \$40.

I had hoped that this would take care of it and was shocked when I received my bill this month and saw an adjustment of only \$229. had been made, bringing my total to still over \$550. This is something I had absolutely NO control over and am doing everything I can to make sure that it wont happen again.

I am asking the board to forgive the additional \$550. from the water main break. It is a LOT of money for me and under the circumstances don't feel I should be held accountable for something that was absolutely NOT my fault. I was offered a payment plan by the office which was a nice gesture but not the point. The point is a water bill \$730. beyond my usual usage.

I will attend the next board meeting on January 19th to discuss this if you wish.

Thank you for your consideration,

Jennifer Jewell

El Solyo Heights Drive

Felton

Holly Morrison

From: Kathy James [mailto:kjames@slvwd.com]
Sent: Wednesday, January 04, 2017 8:59 AM
To: Scott Mattoch
Cc: Board of Directors; Brian Lee; Rick Rogers
Subject: Re: Weather report

Hi Scott

Thanks for the quick reply.....It would be preferable to have overnight totals, but in the meantime, could someone change the verbiage regarding the re-set time being 12:00 am instead of 9:00 am as currently stated?

Kathy James
Ben Lomond

Sent from my iPad

> On Jan 4, 2017, at 8:53 AM, Scott Mattoch <smattoch@slvwd.com> wrote:
>
> Hello Kathy,
>
> Thank you for pointing out the DATA re-set time. I have been trying to get the time interval changed so we could see the overnight totals. Unfortunately at this time the re-set is at 12:00 a.m.
>
> Thank you
>
>
> Scott Mattoch
> Network Specialist
> San Lorenzo Valley Water District
> 13060 Hwy 9
> Boulder Creek CA, 95006
> O 831-338-2153
> D 831-430-4634
> F 831-338-8002
>
> -----Original Message-----
> From: Kathy James [mailto:kjames@slvwd.com]
> Sent: Wednesday, January 04, 2017 8:42 AM
> To: Board of Directors <bod@slvwd.com>
> Subject: Weather report
>
> Hi Chuck.....
>
> In viewing the new weather report on the SLVWD website (which I very much like, by the way), I noticed a discrepancy. The site says the rainfall stats are re-set daily at 9 am. I checked for totals at 7:45 this morning and it said 1.4 inches.....since it has been raining all night after raining all day I am confident that number is too low and incorrect. My guess is that the totals are re-set at an earlier time.
>

> Would you please have whoever is monitoring this website to either correct the stated time frame for re-set or correct the totals?

>

> Thanks so much and thanks for your service.

>

> Kathy James

> Ben Lomond

>

>

>

> Sent from my iPad

>

Holly Morrison

From: markmessimer@comcast.net
Sent: Tuesday, December 27, 2016 7:20 PM
To: Board of Directors
Cc: Mark M
Subject: Opposition to use of district fees to cover legal debt of former district director, Terry Vierra

To: Board of Directors, San Lorenzo Valley Water District

From: Mark Messimer, Felton, CA,
Co-Founder of the SLV Watchdogs

Re: Use of district fees to cover legal debt of former district director, Terry Vierra

I am highly opposed to the use of any past, current or future district funds being allocated to the defense or reparation requirements of, or for, former district director, Terry Vierra, in relation to the conflict-of-interest suit recently adjudicated by the Superior Court.

As a real estate professional, Vierra understood the personal risks of his actions. He took the risks and received benefits as an individual, not as a member of the board. He should pay for the consequences of his actions in the same manner.

Respectfully,

Mark Messimer
9690 Zayante Drive
Felton, CA 95018

Holly Morrison

From: Jill Elliott <gardeningjill@gmail.com>
Sent: Tuesday, December 27, 2016 8:32 PM
To: Board of Directors
Subject: Use of district fees to cover legal debt of former district director, Terry Vierra

I am highly opposed to the use of any past, current or future district funds being allocated to the defense or reparation requirements of, or for, former district director, Terry Vierra, in relation to the conflict-of-interest suit recently adjudicated by the Superior Court.

As a real estate professional, Vierra understood the personal risks of his actions. He took the risks and received benefits as an individual, not as a member of the board. He should pay for the consequences of his actions in the same manner.

Holly Morrison

From: elizabeth branson <elizbranson@gmail.com>
Sent: Wednesday, December 28, 2016 10:11 AM
To: Board of Directors
Subject: Terry Vierra

To: Board of Directors, San Lorenzo Valley Water District

Re: Use of district fees to cover legal debt of former district director, Terry Vierra

I am highly opposed to the use of any past, current or future district funds being allocated to the defense or reparation requirements of, or for, former district director, Terry Vierra, in relation to the conflict-of-interest suit recently adjudicated by the Superior Court.

As a real estate professional, Vierra understood the personal risks of his actions. He took the risks and received benefits as an individual, not as a member of the board. He should pay for the consequences of his actions in the same manner.

After the negligent way this agency has been run for decades, it is an insult to ask the already overburdened rate payer to foot Mr. Vierra's legal fees. He made the money off the deal, he can pay for his nepotism and greed, not us, the poor peasant rate payers who get screwed by dishonest persons like him

If you want an example of what I believe is the negligent and opportunistic actions of this board, see: Prosser parcel. This board approved the purchase of an overpriced and non-income producing property with the idea of building a flagship facility at the far northern end of your district (that is never going to happen).

Absolutely disgusting what you have done to line your own pockets. It needs to stop now with Vierra.

Very truly yours,

Elizabeth Branson

1/9/16

SLV WATER DISTRICT:

I was saddened to learn via the Press Bonna about the legal fees and costs aval by former director Terry Vieira and the legal case brought by Bruce Holloway.

Was upsets me is that these fees and costs are being passed on to us rate payers.

Perhaps these two would help pay my water costs or at least the new increase that just started?

I am a 75 year old, single woman, retired nurse living on a fixed income and these new increases in my water bill are difficult for me to pay.

Please pass this request onto Mr. Vieira and Mr. Holloway for their consideration.

Sincerely,

Pamela Paige Bunker
 107 Bell St
 Felton Ca 95018

RECEIVED

JAN 12 2017

SAN LORENZO VALLEY
 WATER DISTRICT

**SAN LORENZO VALLEY WATER DISTRICT
BOARD MEETING MINUTES
December 15, 2016
6:00 p.m.**

CONVENE MEETING/ROLL CALL:

President Brown convened the meeting at 6:00 p.m.

Drs. Hammer, Bruce, Baughman and Ratcliffe were present. District Manager Lee and Legal Counsel Hynes were also present.

ORAL COMMUNICATION: None

ADJOURNMENT TO CLOSED SESSION:

President Brown adjourned to closed session at 6:02 p.m.

RECONVENE TO OPEN SESSION:

Pres. Brown reconvened the meeting to open session at 7:02 p.m.

ROLL CALL:

Ayes: Hammer, Bruce, Baughman, Ratcliffe, Brown
Noes:
Abstain:
Absent:

REPORT ACTIONS TAKEN IN CLOSED SESSION:

President Brown said that no action was taken in Closed Session.

SPECIAL ORDER OF THE DAY:

President Brown turned the gavel over to Vice-President Ratcliffe and stepped down.

District Secretary Morrison administered the oath of office to newly elected Board members Smallman and Bruce.

Vice-President Ratcliffe requested nominations for the office Board President.

Director Bruce nominated Vice-President Ratcliffe for President. Director Hammer seconded the nomination and suggested that the nominations be closed.

VP Ratcliffe called for a vote on the motion.

ROLL CALL:

Ayes: Bruce, Baughman, Ratcliffe, Smallman, Hammer

Noes:

Abstain:

Absent:

President Ratcliffe requested nominations for the office of Vice-President.

Dir. Smallman made a motion to nominate Dir. Baughman for VP.

Pres. Ratcliffe asked if there were any other nominees and hearing none called for a vote on the motion.

ROLL CALL:

Ayes: Baughman, Ratcliffe, Bruce, Hammer, Smallman

Noes:

Abstain:

Absent:

ADDITIONS AND DELETIONS TO AGENDA: None

ORAL COMMUNICATIONS:

Pres. Ratcliffe noted that Oral Communications would be limited to 3 minutes.

Lois Henry, Lompico, said, "As you know most of us have just paid our property tax this month and Lompico paid the first payment of 20 payments that they will be making, most of us have \$300 increase. Some have \$600 increase. Those payments included a payment for a loan that was determined by Brian Lee and interest, not the loan itself but payment for the interest. But so far there's been no loan applied for and we're told that we need to do a TMF and I'm sure San Lorenzo has done plenty of TMFs. You might have to do some things about Lompico. Here's the TMF I did (she put some papers on the table) that does have the age of tanks and pipes and so forth. But most of it is just like questions, do you have a personnel policy, do you have a policy for flushing, things like that and Brian Lee said he wants to do several small loans and I think that's a really bad idea, for a couple of reasons. Right now interest rates are really low and that interest was figured on a million dollar plus loan and I don't know if they've ever gone to one of those workshop type things where there are people all around the room and you go about seeing about getting a loan and they usually say they don't want to do little loans. Now maybe you're just getting a loan with the State and they don't care. Seems like it costs money every time you get a loan. Plus interest rate, who knows, they might go up. The other thing is, I've only been to 1 Oversight Committee meeting but so far they have not received any information on work being done, any information on the new things being done."

Pres. Ratcliffe asked that Ms. Henry wrap it up.

Ms. Henry continued, "One other thing, I've been asked to wait for this audit before we go with this, back to the surcharge, and you know that I think the audit has nothing to do with it. But I think someone myself or someone who used to be a secretary looking at the information given to the auditor because we know what happened.

Pres. Ratcliffe thanked Ms. Henry.

Debra Loewen, San Lorenzo Valley Water District customer, said that she, "is also concerned about charges to Lompico County customers. I described specific concerns on a one page letter that I gave to the Finance Committee on Nov. 22, 2017, the Board told me this is the correct way to have my concerns addressed by the Committee and the Board. Nothing has appeared on following agendas of this Committee nor 2 Board meetings since. And no one has contacted me or acknowledged any of the items. All 3 items have to do with charges to Lompico customers. For example, as you know Lompico, we have been asking to have the overcharge removed. Right now it is over \$16,000 for a third party loan that was paid off prior to the merger. I also know that today we have been overcharged \$123,000 for staff and electrician and water treatment operator that would have needed if the system was run independently, but it is not. Lompico ongoing operating costs above that of normal operations as with the rest of the system would have to be substantial to justify the rest of the charges this conclusion has been reached by many people outside of this Boardroom. I think there is still some confusion by the District that the surcharge is a blank check and an entitlement for your troubles. This is clearly not the intention of the merger agreement. I've tried to work with the District Manager. Mr. Lee has shared information with us months ago but as we find we do not agree, he stopped cooperating. I strongly feel that overcharging any customer anywhere in SLV is detrimental to the District. Every ratepayer deserves to be answered and treated respectfully. As long as the District is justifying charging Lompico customers extra each month I believe we are justified in asking for a monthly report of what you believe is going on to offset the expenses. Seems fair and transparent. It also seems necessary since we have also found inaccuracies. I first..."

Pres. Ratcliffe requested that Ms. Loewen wrap it up.

Ms. Loewen continued, "I first talked to Lois about this and as she is willing to do this I made a suggestion to the Finance Committee and asked them to make that recommendation to the Board. I would like to see oversight of ongoing costs, immediately and ask that the Board take whatever action necessary to direct staff to cooperate fully with Lompico individuals to further accountability and transparency."

Pres. Ratcliffe thanked Ms. Loewen. She requested that one of the Committee members address Ms. Loewen's reference.

Dir. Baughman, Budget & Finance Committee chair, responded that her letter was received but that they haven't chosen to adgendize that item to date. Perhaps at the next meeting of the Budget & Finance Committee.

Bruce Holloway, Boulder Creek, said that he had been to 1 Lompico Assessment District Oversight Committee. He thought the purpose of the Committee was to focus on expenses and to make sure that the funds were spent on Lompico capital investments. There was an item on the agenda about perception on the agenda and any discussion about perception probably ought to be here. He doesn't understand what the assessment oversight has to do with perception. He recalled DM Lee kind of suggested to the LADOC that maybe it would not go for 10 years, maybe 8 years, maybe the assessment would get reduced to only 85%. It took a lot of negotiation and it is a big hurdle to get voters to vote for something and he said it is ill advised for the Dist. Mgr. to be giving hope that somehow this assessment is going to get ratcheted down. On the other hand the surcharge was always written so that this Board has discretion over whether to maintain the surcharge or not. He said he was surprised that Lompico wound up with \$200,000. The last thing he had to say was that apparently the District filed some annual usage reports last week that were due July 1st. It will cost the District \$8,500 in civil liability and he thinks it is a perfect waste of funds. It is the responsibility of the Dist. Mgr. and there must be a communication problem.

WRITTEN COMMUNICATIONS: None

CONSENT AGENDA:

- 11a MINUTES FROM NOVEMBER 3, 2016 BoD
- 11b MINUTES FROM DECEMBER 1, 2016 BoD
- 11c BILL LIST FOR PERIOD ENDNG DECEMBER 15, 2016
- 11d SEXUAL HARASSMENT POLICY 2017
- 11e PERSONNEL SYSTEM RULES AND REGULATIONS 2017
- 11f RESPECTFUL WORKPLACE POLICY 2017
- 11g FINANCIAL SUMMARY-OCTOBER 31, 2016

Dir. Baughman requested that item 11d Sexual Harassment Policy be pulled from the Consent Agenda.

Dir. Hammer made a motion to pull item 11d.

Dir. Bruce requested that item 11b also be pulled because she was not at that meeting

DM Lee suggested that items 11a, 11b and 11d be pulled from the Consent Agenda.

Dir. Smallman made a motion for items 11c, 11e, 11f & 11g to be approved.

ROLL CALL:

Ayes: Hammer, Bruce, Baughman, Ratcliffe, Smallman
Noes:
Abstain:
Absent:

Dir Baughman noted that the Sexual Harassment Policy states that it needs to be reviewed in December and elsewhere it states that it should be distributed in June. He suggested that the date be changed to a month after the review. He suggested the policy be changed to say that it should be distributed by Jan. 15th.

Dir. Baughman made a motion to change the language to read as such.

ROLL CALL:

Ayes: Bruce, Smallman, Ratcliffe, Baughman
Noes:
Abstain:
Absent: Hammer

Dir. Baughman made a motion to approve item 11a.

ROLL CALL:

Ayes: Hammer, Bruce, Ratcliffe, Baughman
Noes:
Abstain: Smallman
Absent:

Dir. Baughman made a motion to approve item 11b.

ROLL CALL:

Ayes: Hammer, Ratcliffe, Baughman
Noes:
Abstain: Bruce, Smallman
Absent:

UNFINISHED BUSINESS:

12a GROUNDWATER SUSTAINABILITY AGENCIES JOINT POWERS AUTHORITY

DM Lee described this item. The discussion has centered on whether the City of Santa Cruz should have a seat at the table for this JPA. The city is interested in the Basin for long term storage. Rosemary Menard, City of Santa Cruz Water Department Manager, has an interest in joining the JPA as a director but not a member. The 3 members are SLVWD, Scotts Valley Water District and the County of Santa Cruz. Refer to information in the Board packet for specifics.

Dir. Baughman agreed with DM Lee's description. He thinks that the City should be included and that this is consistent with previous discussion.

John Ricker, Santa Cruz County Director of Resource Conservation, he thinks that most of the points have been covered. He said that the City should be included so that all of the interested parties are in one place. With regard to County representatives, the County supervisors think that the County needs only one seat. Supervisor McPherson voiced that private well owners should have adequate representation. The key part of the decision making is the 3 members.

Dir. Hammer noted that the Board has had the discussion regarding the City. He also noted the 3 member agencies have veto power.

Pres. Ratcliffe said that the City is a big and powerful entity and if they are part of the JPA we know what they are thinking.

Dir. Smallman said that he would like to be considered for this Board.

Pres. Ratcliffe questioned how soon the JPA will be going into effect.

Mr. Ricker said that they were moving right along and decided they should slow down to let the State catch up with a Basin to manage. They still need to decide on the prioritization of the basins; low, medium or high for management. A Groundwater Sustainability Plan will be required if deemed medium or high priority.

Dir. Bruce questioned agency funding and if there is an advantage to having the County as a member for defrayed costs.

DM Lee noted that the JPA document says that a joining member would have to pay funds to equal expenditures already paid by other agencies.

Dir. Baughman went back to the County participation with 1 or 2 members. He questioned what they have voted on.

Mr. Ricker said that they voted on the private well owners. All votes have been unanimous. Also the appointment of alternates.

Dir. Baughman said that they are waiting for the input of private well owners.

Dir. Hammer said that 2 County appointees brings more expertise, more credibility.

Dir. Baughman questioned if the Board would be comfortable with the City as a director and 2 County representatives.

Randall Brown, Boulder Creek, said that he thinks that the City should be included as a director. He thinks the distinction between member and director should be very clear.

Bruce Holloway, Boulder Creek, said that he thinks it is a mistake to allowing the City as a director. SLVWD would be giving up too much. He said that the Basin map doesn't include the river. He said that there are too many seats on this.

Pres. Ratcliffe said she is concerned with the long term supply issues. She agreed with the 2 tier system, the people that are footing the bill, should have the power.

Dir. Bruce added that any agency that is benefitting by the decisions should be contributing financially.

Dir. Smallman said the entire county should work together.

Pres. Ratcliffe agreed that regional cooperation is important.

NEW BUSINESS:

13a SET BOARD MEETING DATE AND TIME FOR 2017

Staff recommends that the Board schedule one meeting per month.

Dir. Hammer questioned if staff has a recommendation for the day.

DM Lee said he recommends the 3rd Thursday of the month.

Dir. Smallman prefers Tuesday as a meeting night.

Pres. Ratcliffe likes the Thursday tradition. She suggests coordinating with other agencies.

DM Lee said that staff is indifferent to the night as long as the word gets out.

Dirs. Bruce & Hammer cannot attend meetings on Tuesdays.

Dir. Smallman made a motion to hold the Board meeting on the 3rd Thursday of the month.

Dir. Bruce would like to set changes of venue for meetings.

DM Lee said a future Board meeting will agendize meetings at another location.

Dir. Hammer suggested that the Closed Session begin at 5:00 pm and the public meeting at 6:30 pm.

Dir. Smallman amended his motion to make the time 5:00 pm for Closed Session and 6:30 pm General Meeting.

ROLL CALL:

Ayes: Hammer, Bruce, Baughman, Ratcliffe, Smallman

Noes:

Abstain:

Absent:

13b CANCELLATION OF BoD MEETING 1/5/17

Pulled from discussion due to the previous agenda item.

13c BOARD OF DIRECTORS POLICY MANUAL 2017

Pres. Ratcliffe noted that there are a few changes to review and discuss regarding the Board of Directors Policy Manual 2017.

DM Lee pointed to page 145, Regular Time and Place for Meetings, the changes that were just enacted will be added to the BoD Policy Manual.

Page 146 has a suggested change to strike the words “do not require”. He suggested that a second should be required for actions. This change will bring us more in line with the industry standard.

Dir. Baughman agreed that it is a good idea.

Dir. Hammer asked for clarity. In many cases an item is seconded before there is an action because if it isn't seconded there no reason to discuss. If it's on the agenda as a non-action item, you can have all of the discussion you want. The motion should occur prior to the discussion.

DM Lee brought page 149 to the attention of the Board. He would like to discuss the Consent Agenda. As it stands, anyone in the room has the authority to pull something from the Consent Agenda. He would like to see the Board being the only people with the authority to pull an item for discussion.

Dir. Hammer is against it, he believes that the Board serves the public and they should be allowed to participate.

Dir. Bruce is in agreement. If anyone is coming to the meeting interested enough in an item on the agenda, they should be allowed to ask for discussion.

Pres. Ratcliffe supported her colleagues.

Dir. Baughman also agreed.

Lois Henry, Felton, said she thinks it would be a good idea if the public can pull an item.

Pres. Ratcliffe noted that as it stands now, the public can pull an item from the Consent Agenda for discussion.

Dir. Baughman added that he would like to see instructions on “how to participate in this meeting” for the public available at the meetings.

Dir. Smallman agreed.

Pres. Ratcliffe pointed out that we have changes to the standing committees.

DM Lee directed the Board to page 153 and the changes to the Environmental Committee and the addition of an Engineering Committee. He noted that the Lompico Assessment District Oversight Committee should have the last 4 words deleted as per the previous discussion.

Dir. Hammer made a motion to approve the Board of Directors Policy Manual 2017 as amended.

Lois Henry, Felton, asked for clarification on the LADOC reference.

Pres. Ratcliffe explained that the description of the LADOC had been previously discussed and revised but the revision was not made to this document.

ROLL CALL:

Ayes: Bruce, Smallman, Baughman, Ratcliffe, Hammer

Noes:

Abstain:

Absent:

13d COMMITTEE APPOINTMENTS

Administration Committee: Bruce, Hammer, Fultz

Budget & Finance Committee: Baughman, Ratcliffe, Hayes

Engineering Committee: Hammer, Smallman

Environmental Committee: Ratcliffe, Bruce, Moran

Dir. Hammer requested that the Admin. & Engineering Committees be scheduled back to back.

Dir. Smallman requested that the Engineering Committee be an evening meeting.

Santa Margarita Groundwater Advisory Commission: Baughman, Hammer (alternate)

Lois Henry, Felton, questioned the term of the LADOC.

Pres. Ratcliffe suggested that the LADOC term will be through 2017.

DM Lee

Dir. Hammer made a motion to approve the list of committee assignments. The motion was seconded by Dir. Smallman

ROLL CALL:

Ayes: Bruce, Smallman, Baughman, Ratcliffe, Hammer

Noes:

Abstain:

Absent:

DISTRICT MANAGER REPORTS:

Finance

DM Lee said he believes the report speaks for itself. Are there any questions?

Operations

Dir. of Operations Rogers shared details from his status report.

Future Agenda Items

Dir. Bruce said that she will have a report on the ACWA Conference that she attended.

DM Lee said that there will be a Special Audit Meeting on January 17, 2017 at 3:00 pm.

Dir. Baughman said the Budget & Finance will be discussing the budget format and the rate study (NBS) at future meetings.

ADJOURNMENT:

President Ratcliffe adjourned the meeting at 8:49 p.m.

Accounts Payable

Outstanding Invoices

User: KendraNegro
Printed: 1/10/2017 - 4:01 PM
Date Type: JE Date
Date Range: 12/09/2016 to 01/10/2017

BILL LIST SUMMARY

Check Register Total : \$490,405.41
AP Outstanding Total: \$91,512.71
Payroll 12/21: \$97,706.91
Payroll 01/04: \$94,347.81
TOTAL FOR APPROVAL: \$773,972.84



13060 Highway 9
Boulder Creek, CA 95006-9119
(831) 338-2153 phone
(831) 338-7986 fax

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00019 - LOMBARDO DIAMOND CORE						
01-400-5300	12/28/2016	12/14/2016	10067	00147-06-2017	603.00	SAW CUT & CLEAN UP_SIBLEY
Total for Vendor 00019 - LOMBARDO DIAMOND CORE:					603.00	
00027 - NORTH BAY FORD						
01-800-5410	1/5/2017	12/22/2016	313659	00029-07-2017	84.36	RECALL/OIL CHANGE
Total for Vendor 00027 - NORTH BAY FORD:					84.36	
00044 - STAPLES CREDIT PLAN						
01-400-5600	1/9/2017	12/30/2016	123016	00050-07-2017	2.00	FINANCE CHG
01-400-5600	1/9/2017	12/30/2016	1725494131	00050-07-2017	112.53	OFFICE SUPPLIES_OPS
01-400-5600	1/9/2017	12/30/2016	1725494461	00050-07-2017	476.90	OFFICE SUPPLIES_OPS
01-800-5600	1/9/2017	12/22/2016	58465	00050-07-2017	75.76	OFFICE SUPPLIES_WT
Total for Vendor 00044 - STAPLES CREDIT PLAN:					667.19	
00047 - SOIL CONTROL LAB						
01-800-5202	12/28/2016	12/16/2016	6120244	00147-06-2017	510.00	WATER ANALYSIS
Task Label:		Type:	PO Number:	0000100704		
01-800-5202	12/28/2016	12/21/2016	6120478	00147-06-2017	145.00	WATER ANALYSIS_GEN PHYSICAL
Task Label:		Type:	PO Number:	0000100704		
01-800-5202	1/3/2017	12/27/2016	6120699	00006-07-2017	145.00	WATER ANALYSIS_GENERAL PHYSICAL
Task Label:		Type:	PO Number:	0000100704		
01-800-5202	1/3/2017	12/27/2016	6120700	00006-07-2017	37.00	WATER ANALYSIS_METALS DIGESTION, MANGANESE
Task Label:		Type:	PO Number:	0000100704		
01-800-5202	1/3/2017	12/29/2017	6120827	00006-07-2017	145.00	WATER ANALYSIS_GEN PHYSICAL
Task Label:		Type:	PO Number:	0000100704		
Total for Vendor 00047 - SOIL CONTROL LAB:					982.00	
00050 - COUNTY OF SANTA CRUZ						

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00050 - COUNTY OF SANTA CRUZ						
01-200-5610	12/21/2016	12/19/2016	075-192-42	00135-06-2017	15.00	
Total for Vendor 00050 - COUNTY OF SANTA CRUZ:					15.00	
00054 - PACIFIC GAS & ELECTRIC						
01-800-5500	1/9/2017	12/23/2016	122316	00050-07-2017	111.33	ELECTRIC CHARGES_COMMUNITY WELL
01-800-5500	1/9/2017	12/23/2016	122316	00050-07-2017	216.46	ELECTRIC CHARGES_PUMPING STATION
01-800-5500	1/9/2017	12/23/2016	122316	00050-07-2017	203.46	ELECTRIC CHARGES_11255 LOMPICO RD
01-800-5500	1/9/2017	12/23/2016	122316	00050-07-2017	22.03	ELECTRIC CHARGES_PUMP_WELL #6
01-800-5500	1/9/2017	12/23/2016	122316	00050-07-2017	405.30	ELECTRIC CHARGES_11590 LAKESHORE
Total for Vendor 00054 - PACIFIC GAS & ELECTRIC:					958.58	
00055 - AT&T						
01-400-5510	1/9/2017	12/19/2016	121916	00050-07-2017	238.66	TELEPHONE SERVICE_LOMPICO
Total for Vendor 00055 - AT&T:					238.66	
00058 - IHWWY, INC.						
01-100-5200	1/3/2017	1/1/2017	12206	00006-07-2017	25.00	BUSINESS HOSTING
Task Label:		Type:	PO Number:	0000100733		
Total for Vendor 00058 - IHWWY, INC.:					25.00	
00076 - ERNIE'S AUTO CENTER						
01-400-5311	1/3/2017	12/21/2016	683048	00006-07-2017	37.88	400 WATT INVERTER
Total for Vendor 00076 - ERNIE'S AUTO CENTER:					37.88	
00080 - GRANITE CONSTRUCTION CO						
01-400-5300	12/28/2016	12/13/2016	1098437	00147-06-2017	384.37	NEW SERVICE_SIBLEY/REYNOLDS
01-400-5300	1/3/2017	12/14/2016	1098820	00006-07-2017	39.49	BACKFILL MATERIAL
Total for Vendor 00080 - GRANITE CONSTRUCTION CO:					423.86	
00096 - AWWA						
01-100-5631	1/9/2017	9/19/2016	7001251834	00050-07-2017	2,118.00	ANNUAL MEMBERSHIP RENEWAL
Total for Vendor 00096 - AWWA:					2,118.00	
00120 - GRANITEROCK						
01-400-5200	12/28/2016	12/1/2016	5762 120116	00147-06-2017	6,600.00	VALVE BOX

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00120 - GRANITEROCK						
Task Label:		Type:	PO Number:	0000100776		
Total for Vendor 00120 - GRANITEROCK:					6,600.00	
00145 - BATTERIES PLUS						
01-400-5300	12/28/2016	12/16/2016	314-312168	00147-06-2017	351.24	RALSTON TANK SCADA BATTERIES
Total for Vendor 00145 - BATTERIES PLUS:					351.24	
00147 - EMERSON PROCESS MANAGEMENT						
01-400-5200	12/28/2016	12/9/2016	9062924	00147-06-2017	5,575.50	PROGRAMMING/TECH. ASSISTANCE
Task Label: CAP-1516006A		Type: E	PO Number:	0000100797		
Total for Vendor 00147 - EMERSON PROCESS MANAGEMENT:					5,575.50	
00204 - FEDERAL EXPRESS CORP						
01-400-5300	1/3/2017	12/23/2016	5-653-80041	00006-07-2017	21.19	SHIPPING FEES
Total for Vendor 00204 - FEDERAL EXPRESS CORP:					21.19	
00220 - BAY BUILDING JANITORIAL,INC						
01-100-5420	12/28/2016	12/15/2016	29242	00147-06-2017	424.42	JANITORIAL SERVICES
Task Label:		Type:	PO Number:	0000100672		
Total for Vendor 00220 - BAY BUILDING JANITORIAL,INC:					424.42	
00263 - RAYNE WATER CONDITIONING						
01-800-5200	1/3/2017	12/31/2016	123116	00006-07-2017	37.67	WATER CONDITIONER SVC
Task Label:		Type:	PO Number:	0000100703		
Total for Vendor 00263 - RAYNE WATER CONDITIONING:					37.67	
00266 - TERMINIX						
01-800-5401	1/5/2017	1/3/2017	360099191	00029-07-2017	125.00	PEST CONTROL
Total for Vendor 00266 - TERMINIX:					125.00	
00268 - WATTS ON						
01-400-5200	1/3/2017	12/10/2016	11910	00006-07-2017	1,208.25	PASO GENERATOR SERVICE
02-600-5200	1/3/2017	12/15/2016	11911	00006-07-2017	590.09	BCEWW GENERATOR SERVICE
01-400-5200	1/5/2017	12/20/2017	11913	00029-07-2017	582.97	REDWOOD PARK GENERATOR SERVICE
01-400-5200	1/5/2017	12/20/2017	11915	00029-07-2017	646.69	BCEWW GENERATOR SERVICE

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00268 - WATTS ON						
01-400-5200	1/5/2017	12/20/2017	11921	00029-07-2017	345.56	NINA GENERATOR SERVICE
Total for Vendor 00268 - WATTS ON:					3,373.56	
00343 - ERNIE'S SERVICE CENTER						
01-800-5410	12/28/2016	12/21/2016	56258	00147-06-2017	342.57	HEADLIGHT REPAIR
01-800-5410	12/28/2016	12/22/2016	56411	00147-06-2017	124.07	BATTERY_V#325
Total for Vendor 00343 - ERNIE'S SERVICE CENTER:					466.64	
00378 - BANK OF THE WEST						
01-400-5300	1/9/2017	12/28/2016	122816	00050-07-2017	1,807.54	DEVICE SERVER, PLUG, MOUNTING RAIL
01-100-5631	1/9/2017	12/28/2016	122816	00050-07-2017	6,485.00	CAL SPECIAL DIST RENEWAL FEE
01-400-5630	1/9/2017	12/28/2016	122816	00050-07-2017	11.88	LUNCHEON MEETING
01-100-5200	1/9/2017	12/28/2016	122816	00050-07-2017	153.45	CLOUD SERVICES
01-100-5172	1/9/2017	12/28/2016	122816	00050-07-2017	116.00	CIVIL ENG CERTIFICATION RENEWAL
01-800-5632	1/9/2017	12/28/2016	122816	00050-07-2017	126.50	WATER QUALITY GUIDE, WTP OPERATOR HANDBOOK
01-400-5200	1/9/2017	12/28/2016	122816	00050-07-2017	25.94	WEB NETWORK SOLUTIONS
01-400-5311	1/9/2017	12/28/2016	122816	00050-07-2017	754.44	SMALL TOOLS_OPS
01-100-5630	1/9/2017	12/28/2016	122816	00050-07-2017	16.51	LUNCHEON MEETING
01-400-5300	1/9/2017	12/28/2016	122816	00050-07-2017	462.29	CELLULAR SOLUTIONS
01-800-5600	1/9/2017	12/28/2016	122816	00050-07-2017	75.50	WATER DISTRIBUTION TRAINING HANDBOOK
01-100-5200	1/9/2017	12/28/2016	122816	00050-07-2017	50.00	MAIL CHIMP SERVICES
01-400-5300	1/9/2017	12/28/2016	122816	00050-07-2017	304.18	STAINLESS STEEL LOCKING CAP_SURPLUS
01-400-5200	1/9/2017	12/28/2016	122816	00050-07-2017	25.94	WEB NETWORK SOLUTIONS
01-400-5300	1/9/2017	12/28/2016	122816	00050-07-2017	-141.00	STAINLESS STEEL LOCKING CAP_SURPLUS H20_CR
Total for Vendor 00378 - BANK OF THE WEST:					10,274.17	
00399 - VISION SERVICE PLAN						
01-400-5142	1/9/2017	12/21/2016	JAN 2017	00050-07-2017	302.85	VISION INSURANCE_OPS
01-500-5142	1/9/2017	12/21/2016	JAN 2017	00050-07-2017	16.96	VISION INSURANCE_ENV
01-800-5142	1/9/2017	12/21/2016	JAN 2017	00050-07-2017	121.53	VISION INSURANCE_WT
01-200-5142	1/9/2017	12/21/2016	JAN 2017	00050-07-2017	169.40	VISION INSURANCE_FINANCE
01-100-5142	1/9/2017	12/21/2016	JAN 2017	00050-07-2017	43.86	VISION INSURANCE_ADMIN
Total for Vendor 00399 - VISION SERVICE PLAN:					654.60	
00423 - BAY AREA BARRICADE						
01-400-5401	12/28/2016	12/15/2016	0342510	00147-06-2017	83.87	REFLECTIVE SIGNS

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00423 - BAY AREA BARRICADE:					83.87	
00450 - EUROFINS EATON ANALYTICAL, INC						
01-800-5202	12/28/2016	12/23/2016	297280	00147-06-2017	60.00	WATER ANALYSIS_PASO
Task Label:		Type:	PO Number:	0000100701		
01-800-5202	1/3/2017	12/30/2017	298006	00006-07-2017	60.00	WATER ANALYSIS_PASO, BOB'S LN
Task Label:		Type:	PO Number:	0000100701		
Total for Vendor 00450 - EUROFINS EATON ANALYTICAL, INC:					120.00	
00478 - MWH AMERICAS						
01-100-5200	12/28/2016	12/14/2016	1734921	00147-06-2017	1,390.00	SERVICES RENDERED 8/13 - 12/9/16
Total for Vendor 00478 - MWH AMERICAS:					1,390.00	
00480 - LAW OFFICE OF MARY TOPLIFF						
01-100-5210	12/28/2016	12/13/2016	121316	00147-06-2017	930.00	MOU EDITS/RESEARCH
Total for Vendor 00480 - LAW OFFICE OF MARY TOPLIFF:					930.00	
00505 - DELL MARKETING LP						
01-400-5300	1/5/2017	12/22/2016	10136642585	00029-07-2017	3,164.54	ROUTERS TO REPLACE TELCO BRIDGE
Task Label:		Type:	PO Number:	0000100803		
01-800-5300	1/5/2017	12/22/2016	10136642585	00029-07-2017	3,164.54	ROUTERS TO REPLACE TELCO BRIDGE
Task Label:		Type:	PO Number:	0000100803		
01-800-5310	1/10/2017	12/12/2016	10134163682	00049-07-2017	702.78	COMPUTER FOR 215
Task Label:		Type:	PO Number:	0000100801		
01-200-5310	1/10/2017	12/12/2016	10134163682	00049-07-2017	702.77	COMPUTER FOR S. HILL
Task Label:		Type:	PO Number:	0000100801		
Total for Vendor 00505 - DELL MARKETING LP:					7,734.63	
00550 - HACH COMPANY						
01-000-1565	12/28/2016	12/13/2016	10232985	00147-06-2017	5,093.90	TURBIDIMETERS_LYON WTP
Task Label: CAP-1516006A		Type: E	PO Number:	0000100802		
01-800-5300	1/5/2017	1/1/1850	10236777	00029-07-2017	646.79	WTP SUPPLIES
Task Label:		Type:	PO Number:	0000100702		
Total for Vendor 00550 - HACH COMPANY:					5,740.69	
00555 - STORDOK						
01-100-5200	1/5/2017	12/22/2016	53537220	00029-07-2017	1,020.00	DOCUMENT SHREDDING

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00555 - STORDOK:					1,020.00	
00566 - C S S C						
01-400-5510	12/28/2016	12/22/2016	16120	00147-06-2017	254.70	ANSWERING SERVICE
Task Label:		Type:	PO Number:	0000100705		
Total for Vendor 00566 - C S S C:					254.70	
00608 - LLOYD'S TIRE SERVICE, INC						
01-400-5410	12/28/2016	12/15/2016	316501	00147-06-2017	992.80	TIRES_V#249
01-400-5410	12/28/2016	12/15/2016	316530	00147-06-2017	1,763.84	TIRES_V#747
01-400-5410	12/28/2016	12/22/2016	316931	00147-06-2017	992.80	TIRES_V#338
Total for Vendor 00608 - LLOYD'S TIRE SERVICE, INC:					3,749.44	
00609 - BALANCE HYDROLOGICS, INC						
01-500-5200	12/28/2016	12/19/2016	216018-1116	00147-06-2017	13,115.10	STREAM GAGING
Task Label: EXP-1516001A		Type: E	PO Number:			
Total for Vendor 00609 - BALANCE HYDROLOGICS, INC:					13,115.10	
00624 - SECURITY SHORING &						
01-400-5300	12/28/2016	12/16/2016	150740	00147-06-2017	573.35	SIBLEY/REYNOLDS NEW SERVICE
Total for Vendor 00624 - SECURITY SHORING &:					573.35	
00711 - ROBERTS & BRUNE CO.						
01-000-1310	1/9/2017	12/8/2016	S1613688.001	00050-07-2017	118.77	REPAIR CLAMP 3/4" X 3"
Task Label:		Type:	PO Number:	0000100799		
01-000-1310	1/9/2017	12/8/2016	S1613688.001	00050-07-2017	168.71	REPAIR CLAMP 1" X 3"
Task Label:		Type:	PO Number:	0000100799		
Total for Vendor 00711 - ROBERTS & BRUNE CO.:					287.48	
00721 - UNITED SITE SVCS.,INC						
01-400-5200	12/28/2016	12/13/2016	4777254	00147-06-2017	157.18	PORTO-TOILET
Task Label:		Type:	PO Number:	0000100697		
Total for Vendor 00721 - UNITED SITE SVCS.,INC:					157.18	
00729 - ALPHA ANALYTICAL LABS						
02-600-5202	1/3/2017	12/19/2016	6122263	00006-07-2017	926.00	BCEWW MONITORING
Task Label:		Type:	PO Number:	0000100700		

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00729 - ALPHA ANALYTICAL LABS:					926.00	
00756 - KENNEDY/JENKS CONSULTANTS						
01-000-1565	1/5/2017	12/1/2016	000	00029-07-2017	2,434.01	INTERTIE #4
01-000-1565	1/5/2017	12/1/2016	000	00029-07-2017	2,307.49	INTERTIE #2
01-000-1565	1/5/2017	12/1/2016	000	00029-07-2017	4,147.50	INTERTIE #3
Total for Vendor 00756 - KENNEDY/JENKS CONSULTANTS:					8,889.00	
00788 - COMCAST						
01-400-5510	1/9/2017	1/4/2017	010417	00050-07-2017	86.10	INTERNET SERVICE_11255 LOMPICO RD
Total for Vendor 00788 - COMCAST:					86.10	
01004 - PRO FLOW PLUMBING						
02-600-5200	1/5/2017	1/1/2017	010117	00029-07-2017	192.25	BACKFLOW TESTING_BCEWW
Total for Vendor 01004 - PRO FLOW PLUMBING:					192.25	
01050 - COLONIAL LIFE						
01-000-2206	1/9/2017	12/25/2016	4377735-1207140	00050-07-2017	343.70	SUPPLEMENTAL INS_12/7, 12/21/16
Total for Vendor 01050 - COLONIAL LIFE:					343.70	
10002 - CONNEY SAFETY PRODUCTS						
01-400-5401	12/28/2016	12/16/2016	5268307	00147-06-2017	229.59	SAFETY VESTS
Total for Vendor 10002 - CONNEY SAFETY PRODUCTS:					229.59	
10059 - SUZANNE SCHRAG						
01-400-5300	12/28/2016	12/15/2016	14036	00147-06-2017	4,603.79	FIREHOUSE BOOSTER REPAIR
Total for Vendor 10059 - SUZANNE SCHRAG:					4,603.79	
10081 - INFRASTRUCTURE ENGINEERING CORP.						
01-000-1565	12/28/2016	11/25/2016	9452	00147-06-2017	6,269.50	BCEWW IMPROVEMENTS
Task Label: CAP-1617001A		Type: E	PO Number:			
Total for Vendor 10081 - INFRASTRUCTURE ENGINEERING CORP.:					6,269.50	
10106 - CEL ANALYTICAL, INC						
01-800-5202	1/5/2017	1/3/2017	5626	00029-07-2017	409.00	LT2 MONITORING, CRYPTOSPORIDIUM & GIARDIA

Vendor	Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 10106 - CEL ANALYTICAL, INC:						409.00	
10115 - BOULDER CREEK HEATING & AIR CONDITIONING							
	01-100-5420	1/3/2017	12/22/2016	161221	00006-07-2017	229.82	JOHNSON BDLG_HEATER REPAIR
Total for Vendor 10115 - BOULDER CREEK HEATING & AIR CONDITIONING:						229.82	
10117 - MELISSA DESIGNS							
	01-100-5200	1/5/2017	12/26/2016	2040	00029-07-2017	120.00	HOLIDAY WINDOW PAINTING
Total for Vendor 10117 - MELISSA DESIGNS:						120.00	
Report Total:						91,512.71	

Accounts Payable

Checks by Date - Detail by Check Number

User: KendraNegro
Printed: 1/10/2017 4:02 PM



13060 Highway 9
Boulder Creek, CA 95006-9119
(831) 338-2153 phone
(831) 338-7986 fax

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
12127	10112 L #20123	SWRCB-DIVISION OF WATER RIGHTS PERMIT_BULL SPR, FALL CRK, BENNETT C	12/08/2016		2,000.00
Total for Check Number 12127:				0.00	2,000.00
12128	10112 L #5398	SWRCB-DIVISION OF WATER RIGHTS PERMIT_FALL CREEK	12/08/2016		1,500.00
Total for Check Number 12128:				0.00	1,500.00
12129	10112 L #6275	SWRCB-DIVISION OF WATER RIGHTS PERMIT_BENNETT CREEK	12/08/2016		1,000.00
Total for Check Number 12129:				0.00	1,000.00
12130	10112 L #6276	SWRCB-DIVISION OF WATER RIGHTS PERMIT_BENNETT CREEK	12/08/2016		1,000.00
Total for Check Number 12130:				0.00	1,000.00
12131	10112 L #6277	SWRCB-DIVISION OF WATER RIGHTS PERMIT_BENNETT CREEK	12/08/2016		1,500.00
Total for Check Number 12131:				0.00	1,500.00
12132	10112 L #9742	SWRCB-DIVISION OF WATER RIGHTS PERMIT_BULL SPRING, CREEK	12/08/2016		1,500.00
Total for Check Number 12132:				0.00	1,500.00
12133	00729 6111299	ALPHA ANALYTICAL LABS WATER ANALYSIS_BCEWW	12/09/2016		1,687.00
Total for Check Number 12133:				0.00	1,687.00
12134	00309 111916 111916 111916	AT&T IP SERVICES IP SERVICE_OPS IP SERVICE_ADMIN IP SERVICE_WTP	12/09/2016		381.07 381.07 381.07
Total for Check Number 12134:				0.00	1,143.21
12135	00363 DEC 2016	CINCINNATI LIFE INSURANCE CO LIFE INSURANCE	12/09/2016		28.00
Total for Check Number 12135:				0.00	28.00
12136	00788 112616	COMCAST INTERNET SERVICE_195 KIRBY	12/09/2016		151.08
Total for Check Number 12136:				0.00	151.08

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
12137	00444	COSTCO-CAPITAL ONE COMMERCIAL	12/09/2016		
	112616	OFFICE SUPPLIES_ADMIN			60.17
	112616	OFFICE SUPPLIES_FINANCE			23.80
	112616	OFFICE SUPPLIES_OPS			114.87
	112616	OFFICE SUPPLIES_FIN			89.23
	112616	OFFICE SUPPLIES_WTP			51.04
Total for Check Number 12137:				0.00	339.11
12138	00212	COUNTY OF SANTA CRUZ ENVIRONM	12/09/2016		
	80826	HEALTH PERMITS_MANANA WOODS			2,838.00
Total for Check Number 12138:				0.00	2,838.00
12139	00450	EUROFINS EATON ANALYTICAL, INC	12/09/2016		
	286456	WATER ANALYSIS_OCEANVIEW_LOMPIC			35.00
Total for Check Number 12139:				0.00	35.00
12140	10073	KEN GIROUARD	12/09/2016		
	3	METER REVIEWS			260.00
Total for Check Number 12140:				0.00	260.00
12141	00615	HOME DEPOT CREDIT SERVICES	12/09/2016		
	110816	HAND TOOLS			277.28
	111716	EARTHQUAKE EPOXY			516.49
	111716	SHOVELS			126.73
Total for Check Number 12141:				0.00	920.50
12142	10067	NBS	12/09/2016		
	916000382	COST OF SERVICE STUDY THROUGH 9/30/			7,154.00
Total for Check Number 12142:				0.00	7,154.00
12143	00054	PACIFIC GAS & ELECTRIC	12/09/2016		
	112216	ELECTRIC CHARGES_FELTON HEIGHTS			50.32
	112916A	ELECTRIC CHARGES_19 SUMMIT AVE			297.48
	112916B	ELECTRIC CHARGES_1150 REBECCA			50.40
	113016	GAS/ELECTRIC CHARGES_ADMIN			569.55
	113016	GAS/ELECTRIC CHARGES_WT			8,988.87
	113016	GAS/ELECTRIC CHARGES_BCEWW			232.51
	113016	GAS/ELECTRIC CHARGES_OPS			5,142.88
Total for Check Number 12143:				0.00	15,332.01
12144	00044	STAPLES CREDIT PLAN	12/09/2016		
	112916	FILE FOLDERS			24.20
Total for Check Number 12144:				0.00	24.20
12145	00093	JOHN TREGEMBO	12/09/2016		
	112816	EMPLOYEE REIMBURSEMENT			140.00
Total for Check Number 12145:				0.00	140.00
12146	00599	WEX BANK	12/09/2016		
	47784148	FUEL_OPS			2,637.13
	47784148	FUEL_WTP			1,230.16

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 12146:	0.00	3,867.29
12147	00711	ROBERTS & BRUNE CO.	12/09/2016		
	S1594475.003	FLEX CPLG HYMAX 12.40-13.66			445.88
	S1594475.003	FULL CIRCLE 11.75-12.15 7.50"			154.80
	S1609779.001	CLA-VAL CHECK VALVE_MADRONE BOOS			1,708.04
			Total for Check Number 12147:	0.00	2,308.72
12148	00001	ROYAL WHOLESALE ELECTRIC	12/09/2016		
	609791	MISC ELECTRICAL_MANANA WOODS			716.63
			Total for Check Number 12148:	0.00	716.63
12149	UB*00205	Brooks of Swenson Collado Home/Collado	12/09/2016		
		Refund Check			0.07
		Refund Check			78.47
		Refund Check			0.23
			Total for Check Number 12149:	0.00	78.77
12150	00378	BANK OF THE WEST	12/12/2016		
	112816	ACWA CONFERENCE			740.00
	112816	UNIFORMS_OPS			406.67
	112816	UNIFORMS_WTP			50.87
	112816	480V MOTOR			207.79
	112816	SAFETY EQUIPMENT_WTP			2,121.61
	112816	RAIN GEAR			476.30
	112816	LUNCHEON MEETING			17.88
	112816	CLOUD SERVICE			153.45
	112816	LEGAL COUNSEL			55.00
	112816	RAIN GEAR			344.24
	112816	MAIL CHIMP SERVICES			50.00
	112816	ADVERTISE JOB OPENING_SC SENTINEL			247.64
	112816	SAFETY EQUIPMENT			158.20
	112816	SANTACRUZJOBS.COM			200.00
	112816	ADVERTISE JOB OPENING_WATER DISTRI			145.00
	112816	ADVERTISE JOB OPENING_SV BANNER			56.70
	112816	REPAIR LEAKING ROOF/WINDOW			277.89
	112816	RELAY 3 POLE 24V COIL			224.62
	112816	LUNCHEON MEETING			21.68
	112816	RAIN BOOTS			818.58
			Total for Check Number 12150:	0.00	6,774.12
12151	00145	BATTERIES PLUS	12/12/2016		
	85058-01	CELL PHONE REPAIR			78.25
			Total for Check Number 12151:	0.00	78.25
12152	00788	COMCAST	12/12/2016		
	110416	INTERNET_11255 LOMPICO RD			86.13
			Total for Check Number 12152:	0.00	86.13
12153	00164	FIRST ALARM	12/12/2016		
	959191	REPLACE BATTERIES			267.41
			Total for Check Number 12153:	0.00	267.41
12154	00080	GRANITE CONSTRUCTION CO	12/12/2016		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	1090795	BASE ROCK			28.97
			Total for Check Number 12154:	0.00	28.97
12155	00054	PACIFIC GAS & ELECTRIC	12/12/2016		
	112316	ELECTRIC CHARGES_COMMUNTIY WELL			19.06
	112316	ELECTRIC CHARGES_MADRONE BOOSTER			391.99
	112316	ELECTRIC CHARGES_PUMPING STATION			138.55
	112316	ELECTRIC CHARGES_PUMP			171.81
	112316	ELECTRIC CHARGES_PUMP-WELL #6			21.43
	112316B	ELECTRIC CHARGES_ZAYANTE/ROSEBLO			1,096.85
	120316	ELECTRIC CHARGES_140 ELENA CT			10.18
			Total for Check Number 12155:	0.00	1,849.87
12156	00512	RIVERSIDE LIGHTING	12/12/2016		
	138451	ELECTRICAL PARTS			76.02
			Total for Check Number 12156:	0.00	76.02
12157	00722	SWRCB	12/12/2016		
	WD-0117632	ANNUAL PERMIT FEES_FACILITY 4DW011			875.00
	WD-0117634	ANNUAL PERMIT FEES_FACILITY 4DW011			725.00
	WD-0122250	ANNUAL PERMIT FEES_BCEWW			5,598.00
	WD-0122273	ANNUAL PERMIT FEES_BCEWW			2,088.00
			Total for Check Number 12157:	0.00	9,286.00
12158	00362	ACCELA, INC #774375	12/16/2016		
	26097	BANK FEE			2,106.00
	26097	SERVICE FEE			185.00
			Total for Check Number 12158:	0.00	2,291.00
12159	00729	ALPHA ANALYTICAL LABS	12/16/2016		
	6112497	BCEWW MONITORING			926.00
	6112574	BCEWW MONITORING			1,687.00
	6112575	BCEWW MONITORING			1,687.00
			Total for Check Number 12159:	0.00	4,300.00
12160	10107	AMERICAN INTEGRATED SERVICES	12/16/2016		
	148830	MWTP IRON REMOVAL			1,700.00
			Total for Check Number 12160:	0.00	1,700.00
12161	00366	ASSOC.OF CA WATER AGENCIES	12/16/2016		
	102316	ANNUAL DUES			16,030.00
			Total for Check Number 12161:	0.00	16,030.00
12162	00115	ATKINSON-FARASYN	12/16/2016		
	111716A	LEGAL SERVICES			4,791.93
	111716B	LEGAL SERVICES			56.25
			Total for Check Number 12162:	0.00	4,848.18
12163	00096	AWWA	12/16/2016		
	7001265641	SUBSCRIPTION RENEWAL_2/1/17 - 1/31/18			767.00
			Total for Check Number 12163:	0.00	767.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
12164	00609 21608-1016	BALANCE HYDROLOGICS, INC STREAM GAGING	12/16/2016		13,747.00
			Total for Check Number 12164:	0.00	13,747.00
12165	00220 29141	BAY BUILDING JANITORIAL, INC JANITORIAL SERVICES	12/16/2016		424.42
			Total for Check Number 12165:	0.00	424.42
12166	00124 0090565	BRUCE BARTON PUMP MITCHELL BOOSTER PUMP	12/16/2016		946.67
			Total for Check Number 12166:	0.00	946.67
12167	00234 111716	CITY OF SCOTTS VALLEY SEWER CHARGES_232 KINGS VILLAGE	12/16/2016		79.00
			Total for Check Number 12167:	0.00	79.00
12168	00273 81750341 81750341	CORELOGIC, INC. RELAQUEST REALQUEST	12/16/2016		93.75 93.75
			Total for Check Number 12168:	0.00	187.50
12169	00133 435343	DASSEL'S PROPANE_ADMIN	12/16/2016		104.28
			Total for Check Number 12169:	0.00	104.28
12170	00343 55296	ERNIE'S SERVICE CENTER TAIL LIGHT REPAIR	12/16/2016		232.10
			Total for Check Number 12170:	0.00	232.10
12171	00450 292063 292064 292418 292611 293547	EUROFINS EATON ANALYTICAL, INC WATER ANALYSIS_CREEKWOOD, LAKE BI WATER ANALYSIS_MIRAFLORES WATER ANALYSIS_PASO 5 WATER ANALYSIS_HWY 9, VIEW WATER ANALYSIS_SAMPLE SITES	12/16/2016		400.00 200.00 40.00 350.00 800.00
			Total for Check Number 12171:	0.00	1,790.00
12172	00118 64578378	FARMER BROTHERS COFFEE COFFEE SUPPLIES	12/16/2016		358.33
			Total for Check Number 12172:	0.00	358.33
12173	00750 113016A 113016B	FEDAK & BROWN, LLP AUDIT SERVICES_LOMPICO AUDIT SERVICES_NOVEMBER	12/16/2016		1,500.00 1,000.00
			Total for Check Number 12173:	0.00	2,500.00
12174	00204 560832580	FEDERAL EXPRESS CORP OVERNIGHT SHIP FEE	12/16/2016		63.54
			Total for Check Number 12174:	0.00	63.54
12175	00210 4185800	FISHER SCIENTIFIC LAB SUPPLIES	12/16/2016		701.86

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 12175:	0.00	701.86
12176	00561 S10304283	GEMPLER'S SLUDGE MEASUREMENT DEVICE	12/16/2016		192.44
			Total for Check Number 12176:	0.00	192.44
12177	00080 1082140	GRANITE CONSTRUCTION CO PASO 6 ACCESS RD REPAIR	12/16/2016		51.05
			Total for Check Number 12177:	0.00	51.05
12178	00016 2468668	GREENWASTE RECOVERY, INC TRASH/RECYCLE/YARDWASTE SERVICE	12/16/2016		270.65
			Total for Check Number 12178:	0.00	270.65
12179	00768 105246	HD SUPPLY FACILITIES MAINTENANCE BCEWW RECIRCULATING PUMP	12/16/2016		993.99
			Total for Check Number 12179:	0.00	993.99
12180	00058 12206	IHWY, INC. BUSINESS HOSTING	12/16/2016		25.00
			Total for Check Number 12180:	0.00	25.00
12181	00367 112655 112655	INFOSEND, INC CONTRACT SERVICES POSTAGE FEES	12/16/2016		1,164.08 2,710.54
			Total for Check Number 12181:	0.00	3,874.62
12182	00336 11.17.2016	LAND TRUST OF SANTA CRUZ CNTY OLY WATERSHED EASEMENT	12/16/2016		5,000.00
			Total for Check Number 12182:	0.00	5,000.00
12183	00300 7299 7306	PHIL MATHEWS UNBLOCK CLOGGED LINE UNBLOCK MAIN LINE	12/16/2016		240.00 340.00
			Total for Check Number 12183:	0.00	580.00
12184	00539 1016SLV	MILLER MAXFIELD, INC PUBLIC OUTREACH CONSULTING	12/16/2016		1,068.75
			Total for Check Number 12184:	0.00	1,068.75
12185	00640 112316	MONTEREY BAY AIR RESOURCES GENERATOR PERMITS	12/16/2016		2,580.00
			Total for Check Number 12185:	0.00	2,580.00
12186	00944 2143	PHIL NEUMAN MONTHLY BACKUP & ANTI VIRUS	12/16/2016		415.00
			Total for Check Number 12186:	0.00	415.00
12187	00988 10891	PETE'S OUTFLOW TECHNICIANS PUMP WTP TANK	12/16/2016		5,160.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 12187:	0.00	5,160.00
12188	00569 3100794140	PITNEY BOWES GLOBAL FIN.LLC MAIL MACHINE LEASE_9/30-12/29/16	12/16/2016		458.43
			Total for Check Number 12188:	0.00	458.43
12189	00263 113016	RAYNE WATER CONDITIONING WATER CONDITIONER_12/1-12/31/16	12/16/2016		33.33
			Total for Check Number 12189:	0.00	33.33
12190	00785 2016-17 IRWM-CS	REGIONAL WATER MANAGEMENT	12/16/2016		10,000.00
			Total for Check Number 12190:	0.00	10,000.00
12191	10001 761973	RUTAN AND TUCKER, LLP LEGAL FEES	12/16/2016		9,455.00
			Total for Check Number 12191:	0.00	9,455.00
12192	00047 6110082 6110486 6110487 6110488 6110599 6110600	SOIL CONTROL LAB WATER ANALYSIS_TOTAL PHOSPHATE WATER ANALYSIS_GEN PHYSICAL WATER ANALYSIS_TOTAL PHOSPHATE WATER ANALYSIS_GEN PHYSICAL WATER ANALYSIS_GEN PHYSICAL WATER ANALYSIS_METAL DIGESTION, TO	12/16/2016		78.00 174.00 117.00 29.00 145.00 37.00
			Total for Check Number 12192:	0.00	580.00
12193	00266 360099191	TERMINIX PEST CONTROL SERVICES	12/16/2016		125.00
			Total for Check Number 12193:	0.00	125.00
12194	00727 81848721	ULINE SHIPPING SUPPLIES KIRBY LOCKERS	12/16/2016		627.70
			Total for Check Number 12194:	0.00	627.70
12195	00129 141934632	UNITED RENTALS NORTHWEST INC CORE DRILL RENTAL	12/16/2016		519.61
			Total for Check Number 12195:	0.00	519.61
12196	00721 4692004	UNITED SITE SVCS.,INC PORTO-TOILET	12/16/2016		157.18
			Total for Check Number 12196:	0.00	157.18
12197	10099 0000003	DAWN WASHBURN UPDATED DRAFT_MOU	12/16/2016		1,056.55
			Total for Check Number 12197:	0.00	1,056.55
12198	00268 11879 11880 11881 11882	WATTS ON GENERATOR SERVICE_MITCHELL 40 KW GENERATOR SERVICE_KIRBY GENERATOR SERVICE_ADMIN GENERATOR SERVICE_BLUE RIDGE	12/16/2016		370.56 614.49 423.93 485.45

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	11883	GENERATOR SERVICE_OPS			488.94
	11884	150 KW GENERATOR SERVICE_KIRBY			999.67
	11886	GENERATOR SERVICE_LYON PLANT			920.33
					<hr/>
		Total for Check Number 12198:		0.00	4,303.37
12199	UB*00206	MICHAEL ADAMS Refund Check	12/16/2016		6.17
					<hr/>
		Total for Check Number 12199:		0.00	6.17
12200	00545 269817	AFLAC SUPPLEMENTAL INSURANCE	12/16/2016		445.52
					<hr/>
		Total for Check Number 12200:		0.00	445.52
12201	00162 19760432	ANTHEM BLUE CROSS RETIRED EMPLOYEE MEDICAL_1/1 - 1/31/1	12/16/2016		315.07
					<hr/>
		Total for Check Number 12201:		0.00	315.07
12202	00767 935250121	ANTHEM BLUE CROSS MEDICARERX_1/1 - 2/1/17	12/16/2016		159.80
					<hr/>
		Total for Check Number 12202:		0.00	159.80
12203	10023 120116	AT & T CAPITAL SERVICES, INC PHONE SYSTEM MAINTENANCE	12/16/2016		396.07
					<hr/>
		Total for Check Number 12203:		0.00	396.07
12204	10113 01902303705-001 01902303705-001	BANK OF THE MIDWEST INTEREST ON LOAN SOLAR LOAN_PRINCIPAL	12/16/2016		997.62 2,252.28
					<hr/>
		Total for Check Number 12204:		0.00	3,249.90
12205	01050 1109153	COLONIAL LIFE SUPPLEMENTAL INS_11/9, 11/23/16	12/16/2016		343.70
					<hr/>
		Total for Check Number 12205:		0.00	343.70
12206	00782 09-01 09-01 11-31 11-31 11-31	MONTEREY PENINSULA ENGINEERIN INTERTIE #3 INTERTIE #3 RETENTION INTERTIE #3 INTERTIE #4 INTERTIE #2	12/16/2016		12,500.00 -375.00 83,336.75 -94,106.75 18,530.00
					<hr/>
		Total for Check Number 12206:		0.00	19,885.00
12207	00711 S1587363.001 S1587363.001	ROBERTS & BRUNE CO. 2x10 replmp romac cl1 - 2.63x10 range; 2.35 - 2x7-1/2 replmp romas cl1-6.63x7 1/2 range 2.3	12/16/2016		402.65 114.94
					<hr/>
		Total for Check Number 12207:		0.00	517.59
12208	00399 DEC 2016 DEC 2016 DEC 2016 DEC 2016	VISION SERVICE PLAN VISION INSURANCE_ADMIN VISION INSURANCE_OPS VISION INSURANCE_FINANCE VISION INSURANCE_WTP	12/16/2016		43.86 302.85 169.40 121.53

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	DEC 2016	VISION INSURANCE_ENV			16.96
			Total for Check Number 12208:	0.00	654.60
12209	00782 C412155	MONTEREY PENINSULA ENGINEERIN PENALTIES FOR NON-COMPLIANCE	12/19/2016		1,600.00
			Total for Check Number 12209:	0.00	1,600.00
12210	00055	AT&T	12/22/2016		
	120116	TELEPHONE SERVICE_BCEWW			324.79
	120116	TELEPHONE SERVICE_ADMIN			146.33
	120116	TELEPHONE SERVICE_OPS			3,144.17
	120116	TELEPHONE SERVICE_WTP			1,629.16
			Total for Check Number 12210:	0.00	5,244.45
12211	00309	AT&T IP SERVICES	12/22/2016		
	121116	IP SERVICES_OPS			241.93
	121116	IP SERVICES_ADMIN			241.93
	121116	IP SERVICES_WTP			241.92
			Total for Check Number 12211:	0.00	725.78
12212	00178	CALPERS	12/22/2016		
	JAN 2017	HEALTH INSURANCE_ENV			1,708.00
	JAN 2017	HEALTH INSURANCE_RETIRED EMPLOYE			600.00
	JAN 2017	HEALTH INSURANCE_ADMIN			2,451.00
	JAN 2017	HEALTH INSURANCE_OPS			18,053.60
	JAN 2017	HEALTH INSURANCE_WTP			7,438.40
	JAN 2017	HEALTH INSURANCE_DEPENDENT			6,577.19
	JAN 2017	HEALTH INSURANCE_FINANCE			7,353.00
	JAN 2017	HEALTH INSURANCE_ADMINISTRATIVE F			144.87
			Total for Check Number 12212:	0.00	44,326.06
12213	00788	COMCAST	12/22/2016		
	120416	INTERNET_11255 LOMPICO RD			86.13
	121116	INTERNET_23 SUMMIT AVE			138.92
			Total for Check Number 12213:	0.00	225.05
12214	00050 075-192-42	COUNTY OF SANTA CRUZ LIEN RELEASE FEE	12/22/2016		15.00
			Total for Check Number 12214:	0.00	15.00
12215	00409 121116	EASYPERMIT POSTAGE FEES	12/22/2016		46.84
			Total for Check Number 12215:	0.00	46.84
12216	00313	MET LIFE	12/22/2016		
	JAN 2017	DENTAL INSURANCE_ADMIN			243.49
	JAN 2017	DISABILITY_OPS			353.64
	JAN 2017	DISABILITY_WTP			275.95
	JAN 2017	LIFE INSURANCE_WTP			139.86
	JAN 2017	DISABILITY_FINANCE			169.47
	JAN 2017	DENTAL INSURANCE_FINANCE			915.77
	JAN 2017	DENTAL INSURANCE_ENV			122.14
	JAN 2017	DENTAL INSURANCE_WTP			1,025.99
	JAN 2017	DISABILITY_ENV			41.61

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	JAN 2017	LIFE INSURANCE_FINANCE			99.90
	JAN 2017	LIFE INSURANCE_ENV			16.65
	JAN 2017	LIFE INSURANCE_OPS			209.79
	JAN 2017	DENTAL INSURANCE_OPS			1,951.26
	JAN 2017	LIFE INSURANCE_ADMIN			33.30
	JAN 2017	DISABILITY_ADMIN			75.95
			Total for Check Number 12216:	0.00	5,674.77
12217	10018 122116	HOLLY MORRISON REIMBURSEMENT FOR COMPANY LUNCH	12/22/2016		316.48
			Total for Check Number 12217:	0.00	316.48
12218	00567 121616	BOB PILGREEN TREE WORK_REMOVE FALLEN OAK	12/22/2016		5,800.00
			Total for Check Number 12218:	0.00	5,800.00
12219	00011 9777009492	VERIZON WIRELESS TABLET CHARGES	12/22/2016		325.24
			Total for Check Number 12219:	0.00	325.24
12220	00642 120516	STEVEN M. BUTLER,R.P.F. WATERSHED MAINTENANCE	12/29/2016		2,454.94
			Total for Check Number 12220:	0.00	2,454.94
12221	00589 7255	ALLARD'S SEPTIC KIRBY/HAUL OUT	12/29/2016		300.00
			Total for Check Number 12221:	0.00	300.00
12222	00729 6121347	ALPHA ANALYTICAL LABS BCEWW MONITORING	12/29/2016		390.00
			Total for Check Number 12222:	0.00	390.00
12223	00410 122216	ANDI O'NEAL EMPLOYEE REIMBURSEMENT	12/29/2016		29.05
			Total for Check Number 12223:	0.00	29.05
12224	10025 80009395	BADGER METER, INC BEACON SERVICES	12/29/2016		525.10
			Total for Check Number 12224:	0.00	525.10
12225	10106 5561	CEL ANALYTICAL, INC WATER ANALYSIS_LYON MONITORING	12/29/2016		409.00
			Total for Check Number 12225:	0.00	409.00
12226	00213 106038 106038	CHESTNUT IDENTITY UNIFORMS_WTP UNIFORMS_OPS	12/29/2016		86.16 75.40
			Total for Check Number 12226:	0.00	161.56
12227	00290 7931	CONTRACTOR COMPLIANCE & MONI INTERTIE 2,3,4_PHASE 2	12/29/2016		82.50

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 12227:	0.00	82.50
12228	00050 087-104-15	COUNTY OF SANTA CRUZ LIEN RELEASE FEE	12/29/2016		15.00
			Total for Check Number 12228:	0.00	15.00
12229	00076 681400	ERNIE'S AUTO CENTER TRAILER PLUG ADAPTER	12/29/2016		12.63
			Total for Check Number 12229:	0.00	12.63
12230	00343 55563	ERNIE'S SERVICE CENTER TAIL LIGHT, WATER PUMP REPAIR	12/29/2016		1,329.07
			Total for Check Number 12230:	0.00	1,329.07
12231	00450 294914 294917	EUROFINS EATON ANALYTICAL, INC WATER ANALYSIS_PEAVINE WATER ANALYSIS_731 HWY 9	12/29/2016		40.00 200.00
			Total for Check Number 12231:	0.00	240.00
12232	00204 33955	FEDERAL EXPRESS CORP FREIGHT CHARGES	12/29/2016		33.40
			Total for Check Number 12232:	0.00	33.40
12233	00080 1095610	GRANITE CONSTRUCTION CO BASE ROCK BACKFILL	12/29/2016		34.96
			Total for Check Number 12233:	0.00	34.96
12234	00550 10214789 10218093	HACH COMPANY CAL/VERIFICATION KIT KTO: 1720E W/SC200	12/29/2016		239.81 3,269.69
			Total for Check Number 12234:	0.00	3,509.50
12235	10005 102285919 102285972	ICMA RETIREMENT C/O M & T RETIRI RETIREMENT WITHHOLDING_12/7/16 RETIREMENT WITHHOLDING_12/21/16	12/29/2016		1,685.00 1,685.00
			Total for Check Number 12235:	0.00	3,370.00
12236	00367 113823 113823	INFOSEND, INC MAILING SERVICES STATEMENT POSTAGE	12/29/2016		1,156.88 2,709.40
			Total for Check Number 12236:	0.00	3,866.28
12237	00336 2016	LAND TRUST OF SANTA CRUZ CNTY OLYMPIA PATROL SERVICE	12/29/2016		1,010.88
			Total for Check Number 12237:	0.00	1,010.88
12238	00082 206344 206344	MID VALLEY SUPPLY PAPER TOWELS, TISSUE_ADMIN PAPER TOWELS, TISSUE_OPS	12/29/2016		137.48 42.22
			Total for Check Number 12238:	0.00	179.70

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
12239	00539 1116SLV	MILLER MAXFIELD, INC PUBLIC OUTREACH CONSULTING	12/29/2016		381.25
Total for Check Number 12239:				0.00	381.25
12240	10004 122816 122816 122816 122816	PETTY CASH - CHELSEA SLADWICK MEALS RECORDER'S FEE SUPPLIES MEALS	12/29/2016		15.00 27.00 20.26 14.47
Total for Check Number 12240:				0.00	76.73
12241	10001 764171	RUTAN AND TUCKER, LLP LEGAL SERVICES	12/29/2016		6,834.00
Total for Check Number 12241:				0.00	6,834.00
12242	00047 6110770	SOIL CONTROL LAB WATER ANALYSIS_GEN PHYSICAL	12/29/2016		145.00
Total for Check Number 12242:				0.00	145.00
12243	00057 JAN 2017	AFSCME COUNCIL 57 UNION DUES_JAN 2017	12/29/2016		940.72
Total for Check Number 12243:				0.00	940.72
12244	00115 JAN 2017	ATKINSON-FARASYN LEGAL SERVICES_JAN 2017	12/29/2016		3,500.00
Total for Check Number 12244:				0.00	3,500.00
12245	10113 JAN 2017 JAN 2017	BANK OF THE MIDWEST SOLAR LOAN_PRINCIPAL SOLAR LOAN_INTEREST	12/29/2016		2,259.18 990.72
Total for Check Number 12245:				0.00	3,249.90
12246	00099 JAN 2017	JOEL BUSA CALPERS MEDICAL	12/29/2016		125.00
Total for Check Number 12246:				0.00	125.00
12247	00415 JAN 2017	CA BANK & TRUST/GOV SVC DEPT 1976 CALIFORNAIA SAFE DRINKING WATE	12/29/2016		15,581.43
Total for Check Number 12247:				0.00	15,581.43
12248	00662 JAN 2017	JAMES A. MUELLER CALPERS MEDICAL	12/29/2016		50.00
Total for Check Number 12248:				0.00	50.00
12249	00383 1168055-5	A TOOL SHED EQUIPMENT ROLLER RENTAL	01/05/2017		164.01
Total for Check Number 12249:				0.00	164.01
12250	UB*00211	Alex Anderson Refund Check Refund Check Refund Check	01/05/2017		1.22 69.12 4.66

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 12250:	0.00	75.00
12251	00055 121916	AT&T TELEPHONE SERVICE_FELTON ACRES	01/05/2017		84.97
			Total for Check Number 12251:	0.00	84.97
12252	00309 121916 121916 121916	AT&T IP SERVICES IP SERVICES_OPS IP SERVICES_WTP IP SERVICES_ADMIN	01/05/2017		380.95 380.95 380.95
			Total for Check Number 12252:	0.00	1,142.85
12253	00686 121316 121316 121316	AT&T LONG DISTANCE LONG DISTANCE_OPS LONG DISTANCE_ADMIN LONG DISTANCE_WTP	01/05/2017		20.61 3.03 303.12
			Total for Check Number 12253:	0.00	326.76
12254	00687 121516 12152016	AT&T U-VERSE INTERNET_365 MADRONE AVE INTERNET_GRAHAM HILL RD	01/05/2017		57.00 70.00
			Total for Check Number 12254:	0.00	127.00
12255	10025 80003957 80004181	BADGER METER, INC BEACON CELLULAR STANDARD BEACON CELLULAR STANDARD	01/05/2017		60.52 61.41
			Total for Check Number 12255:	0.00	121.93
12256	UB*00210	ROBIN BATES Refund Check Refund Check Refund Check	01/05/2017		401.28 668.90 140.00
			Total for Check Number 12256:	0.00	1,210.18
12257	UB*00209	TAMARA BELL Refund Check Refund Check	01/05/2017		65.14 45.02
			Total for Check Number 12257:	0.00	110.16
12258	00788 121616 121916 122616	COMCAST INTERNET_264 ORCHARD DR INTERNET_7400 HWY 9 INTERNET SERVICE_195 KIRBY ST	01/05/2017		136.08 141.08 151.08
			Total for Check Number 12258:	0.00	428.24
12259	00444 122616	COSTCO-CAPITAL ONE COMMERCIAL OFFICE FURNITURE, SUPPLIES	01/05/2017		1,716.43
			Total for Check Number 12259:	0.00	1,716.43
12260	UB*00208	VIRGINIA DONAGHEY Refund Check	01/05/2017		4.76

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 12260:	0.00	4.76
12261	UB*00207	ROBYN ERN Refund Check	01/05/2017		32.04
			Total for Check Number 12261:	0.00	32.04
12262	00343 56171	ERNIE'S SERVICE CENTER TIRE REPAIR_V#341	01/05/2017		19.50
			Total for Check Number 12262:	0.00	19.50
12263	00118 64977660	FARMER BROTHERS COFFEE COFFEE/SUPPLIES	01/05/2017		370.77
			Total for Check Number 12263:	0.00	370.77
12264	00164 977458 977459 977460 977461 977462	FIRST ALARM ALARM SERVICES ALARM SERVICES ALARM SERVICES ALARM SERVICES ALARM SERVICES	01/05/2017		333.57 279.24 162.30 159.00 160.62
			Total for Check Number 12264:	0.00	1,094.73
12265	10005 102288821	ICMA RETIREMENT C/O M & T RETIRI RETIREMENT WITHHOLDING_1/4/17	01/05/2017		1,785.00
			Total for Check Number 12265:	0.00	1,785.00
12266	00608 316450	LLOYD'S TIRE SERVICE, INC TRUCK TIRES_V#155	01/05/2017		981.49
			Total for Check Number 12266:	0.00	981.49
12267	UB*00212	HEATHER MCKINSTRY Refund Check Refund Check Refund Check	01/05/2017		2.92 1.91 0.46
			Total for Check Number 12267:	0.00	5.29
12268	00054 122216 122316 122816 12282016	PACIFIC GAS & ELECTRIC ELECTRIC CHARGES_LAZYWOODS ELECTRIC CHARGES_ZAYANTE/ROSEBLO ELECTRIC CHARGES_1150 REBECCA DR ELECTRIC CHARGES_19 SUMMIT AVE	01/05/2017		51.54 1,162.68 43.65 534.27
			Total for Check Number 12268:	0.00	1,792.14
12269	00396 3318	SALMONID RESTORATION FED. ANNUAL CONFERENCE CO-SPONSORSHIP	01/05/2017		500.00
			Total for Check Number 12269:	0.00	500.00
12270	00040 111616	SANTA CRUZ SENTINEL SC SENTINEL SUBSCRIPTION	01/05/2017		324.87
			Total for Check Number 12270:	0.00	324.87
12271	00047	SOIL CONTROL LAB	01/05/2017		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	6120171	WATER ANALYSIS_NITRATE			24.00
	6120172	GEN PHYSICAL, METALS DIGESTION, IRO			312.00
	6120242	WATER ANALYSIS_GEN PHYSICAL			145.00
	6120243	METALS DIGESTION, IRON, MANGANESE			74.00
Total for Check Number 12271:				0.00	555.00
12272	00011	VERIZON WIRELESS	01/05/2017		
	977009491	CELL PHONE CHARGES_OPS			577.48
	977009491	CELL PHONE CHARGES_ADMIN			82.17
	977009491	CELL PHONE CHARGES_ENG			85.32
	977009491	CELL PHONE CHARGES_WTP			354.94
Total for Check Number 12272:				0.00	1,099.91
12273	10072	WATER SYSTEMS CONSULTING, INC	01/05/2017		
	2319	SLVWD 2015 UWMP			3,655.00
Total for Check Number 12273:				0.00	3,655.00
12274	00181	LAS ANIMAS CONCRETE	01/06/2017		
	122957	SIBLEY SERVICE_SLURRY			749.74
Total for Check Number 12274:				0.00	749.74
12275	00001	ROYAL WHOLESALE ELECTRIC	01/06/2017		
	610325	MISC ELECTRICAL_FIREHOUSE BOOSTER			109.87
	610569	ECHO BOOSTER LIGHTS			108.75
Total for Check Number 12275:				0.00	218.62
12276	00142	SAN LORENZO LUMBER	01/06/2017		
	34478	ADMIN DOOR			166.82
	57781	CREDIT_TOOLS			-61.71
	82467	KWTP SUMP PUMP			127.53
Total for Check Number 12276:				0.00	232.64
12277	00125	SCARBOROUGH LUMBER	01/06/2017		
	281824	SAWZALL BLADES			72.84
	281897	LOMPICO BOOSTER REPAIRS			43.10
	282141	POLY FILM ROLL			28.93
	282243	OLY CL2			19.83
	282338	LOMPICO HEATER OIL			53.57
	282471	WATER QUALITY_TOOLS			40.96
	282553	BASKETS FOR SMALL PARTS			28.88
	282775	TARPS FOR QUAIL BINS			60.74
	282778	MISC SAMPLING SUPPLIES			37.02
	282822	EARTHQUAKE RESTRAINTS			518.02
	283023	PIPE INSULATION			70.62
	283118	CUTTING WHEEL FOR PIPE THREADER			64.30
	283150	LUMBER, ELECTRICAL_ADMIN OFFICE			154.55
	283227	18V BATTERY			128.59
	283252	FIREHOUSE BOOSTER SUPPLIES			48.60
	283297	SUPPLIES_FIREHOUSE BOOSTER			18.57
	283308	1/4" GALVANIZED CABLE			150.21
	360330	KWTP SUPPLIES			34.96
	360742	BATTWRIES, SAWZALL			255.12
	553002	ADMIN CLEAN UP			83.51
	553018	RETURN CREDIT_FROM 553002			-52.46
	553021	MISC. PARTS			13.49

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	553038	OLY 2 CL2 REPAIR			68.63
	553143	SIBLEY SERVICE			31.01
	553270	PROPANE TORCH			69.65
	553271	STARTER FLUID			9.62
	553284	CLEANING SUPPLIES			58.85
	553295	ADMIN RAMP FOR SAFE			131.11
	553302	MISC SUPPLIES_MOVING SAFE			57.02
	553305	SAW BLADE			10.70
	553319	ADMIN BLDG_PLYWOOD			73.18
	553319A	ADJUSTMENT INV#553319			-0.73
	553342	ADMIN BLDG_NAILS			4.33
	553346	TOOLS, BAR OIL			34.27
	553382	SAW CHAIN, BAR OIL			161.21
	553389	RETURN CREDIT			-84.07
	553389A	ADJUSTMENT INV#553389			-7.01
	553438	ADMIN OFFICE MOVE_ELECTRICAL			11.42
	553454	FREEZE PROTECTION			141.40
	553524	ADMIN OFFICES			26.74
	553580	ADMIN OFFICE MATERIALS			91.83
Total for Check Number 12277:				0.00	2,763.11
12278	00168	SCOTTS VALLEY SPRINKLER	01/06/2017		
	146380	LYON PLANT FLOAT SWITCH			116.05
	146440	LYON PLANT SUPPLIES			380.92
	146441	LYON PLANT SUPPLIES_RETURN CREDIT			-219.94
Total for Check Number 12278:				0.00	277.03
12279	00782	MONTEREY PENINSULA ENGINEERIN	01/09/2017		
	11-32 RET	INTERTIES #2,3,4 RETENTION			166,756.71
Total for Check Number 12279:				0.00	166,756.71
Report Total (153 checks):				0.00	490,405.41

*Please note that Check Number 12126 was destroyed/voided.

0087 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 12/21/16. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

TRANSACTION DETAIL

ELECTRONIC FUNDS TRANSFER - Your financial institution will initiate transfer to Paychex **at or after 12:01 A.M.** on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		BANK DRAFT AMOUNTS & OTHER TOTALS
12/20/16	WELLS FARGO BANK, NA	xxxxxx1358	Direct Deposit	Net Pay Allocations	46,833.80	46,833.80
12/20/16	WELLS FARGO BANK, NA	xxxxxx1358	Taxpay®	Employee Withholdings		
				Social Security	5,155.98	
				Medicare	1,444.02	
				Fed Income Tax	11,387.30	
				CA Income Tax	3,459.97	
				CA Disability	672.19	
				Total Withholdings	22,119.46	
				Employer Liabilities		
				Social Security	5,155.99	
				Medicare	1,444.03	
				Fed Unemploy	5.70	
				Total Liabilities	6,605.72	28,725.18
12/20/16	WELLS FARGO BANK, NA	xxxxxx1358	401(k) Traditional	PXROTH 401 EEPO		
				PX401 EECU		
				PX401 ERMTCH		
				PXROTH 401 EECU		
				PX401 ERCUM		
				PX401 EEPRE	916.20	916.20
12/20/16	WELLS FARGO BANK, NA	xxxxxx1358	Section 125	PXDCA EE PRE	443.12	
				PXUME EE PRE	349.96	793.08
EFT FOR 12/20/16						77,268.26
TOTAL EFT (Does not reflect administrative charges)						77,268.26

NEGOTIABLE CHECKS - Check amounts will be debited when payees cash checks. Funds must be available on check date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
12/21/16	WELLS FARGO BANK, NA	xxxxxx1358	Payroll	Check Amounts	20,438.65	
TOTAL NEGOTIABLE CHECKS						20,438.65

0087 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 12/21/16. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
12/21/16	Refer to your records for account Information		Payroll	Employee Deductions	
				Advance	601.96
				Aflc/Col Post	55.11
				Aflc/Col Pre	302.75
				Calper 457	125.00
				DPer	6,328.72
				Health	2,092.11
				ICMA	1,685.00
				Life Ins	14.00
				Union dues	470.36
				Total Deductions	11,675.01
TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (Does not reflect administrative charges)					11,675.01

PAYCHEX WILL MAKE THESE TAX DEPOSIT(S) ON YOUR BEHALF - This information serves as a record of payment.

<u>DUE DATE</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	
12/29/16	Taxpay®	FED IT PMT Group	24,587.32
12/29/16	Taxpay®	CA IT PMT Group	4,132.16

0087 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 01/04/17. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

TRANSACTION DETAIL

ELECTRONIC FUNDS TRANSFER - Your financial institution will initiate transfer to Paychex **at or after 12:01 A.M.** on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		BANK DRAFT AMOUNTS & OTHER TOTALS
01/03/17	WELLS FARGO BANK, NA	xxxxxx1358	Direct Deposit	Net Pay Allocations	43,701.17	43,701.17
01/03/17	WELLS FARGO BANK, NA	xxxxxx1358	Taxpay®	Employee Withholdings		
				Social Security	5,870.83	
				Medicare	1,373.03	
				Fed Income Tax	10,454.49	
				CA Income Tax	3,064.99	
				CA Disability	852.23	
				Total Withholdings	21,615.57	
				Employer Liabilities		
				Social Security	5,870.83	
				Medicare	1,373.03	
				Fed Unemploy	568.14	
				Total Liabilities	7,812.00	29,427.57
01/03/17	WELLS FARGO BANK, NA	xxxxxx1358	401(k) Traditional	PXROTH 401 EEPO	980.80	
				PX401 EECU		
				PX401 ERMTCH		
				PXROTH 401 EECU		
				PX401 ERCUM		
				PX401 EEPRE	1,135.87	2,116.67
01/03/17	WELLS FARGO BANK, NA	xxxxxx1358	Section 125	PXDCA EE PRE	384.62	
				PXUME EE PRE	334.66	719.28
EFT FOR 01/03/17						75,964.69
TOTAL EFT (Does not reflect administrative charges)						75,964.69

NEGOTIABLE CHECKS - Check amounts will be debited when payees cash checks. Funds must be available on check date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
01/04/17	WELLS FARGO BANK, NA	xxxxxx1358	Payroll	Check Amounts	18,383.12	
TOTAL NEGOTIABLE CHECKS						18,383.12

0087 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 01/04/17. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	<u>TOTAL</u>
01/04/17	Refer to your records for account Information		Payroll	Employee Deductions	
				Aflc/Col Post	55.34
				Aflc/Col Pre	133.33
				Calper 457	125.00
				DPer	6,424.66
				Health	5,512.29
				ICMA	1,785.00
				Life Ins	14.00
				Union dues	470.36
				Total Deductions	14,519.98

TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (Does not reflect administrative charges) **14,519.98**

PAYCHEX WILL MAKE THESE TAX DEPOSIT(S) ON YOUR BEHALF - This information serves as a record of payment.

<u>DUE DATE</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	
01/11/17	Taxpay®	FED IT PMT Group	24,942.21
01/11/17	Taxpay®	CA IT PMT Group	3,917.22

M E M O

TO: Board of Directors
FROM: District Manager
SUBJECT: FINANCIAL SUMMARY
DATE: January 12, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Financial Summary Report.

BACKGROUND:

Overview:

This section presents management's analysis of the San Lorenzo Valley Water District's (the District) financial condition and activities as of the above mentioned period. This information should be read in conjunction with the unaudited financial information that follows. For a complete review of a fiscal year, it is best to come back and look at the audited Annual Financial Report.

The District does a hard year end close, through that process there are yearend expenses that are booked at yearend and not represented in the monthly expenses. There may also be annual expenses paid upfront that could cause individual months to appear skewed. Data is continuously being reviewed, so it is not un-common for a prior month balance to change slightly throughout the year as accounts are reconciled. It is important to understand this in connection with the numbers that follow.

November 2016 consumption usage was down to 40,343 units, compared to 57,955 the month prior and 49,837 the year prior. The decrease in usage directly correlates to the decreased operating revenue.

November operations resulted in an Operating Income of \$17,137. October YTD has an Operating Income of \$5,665.

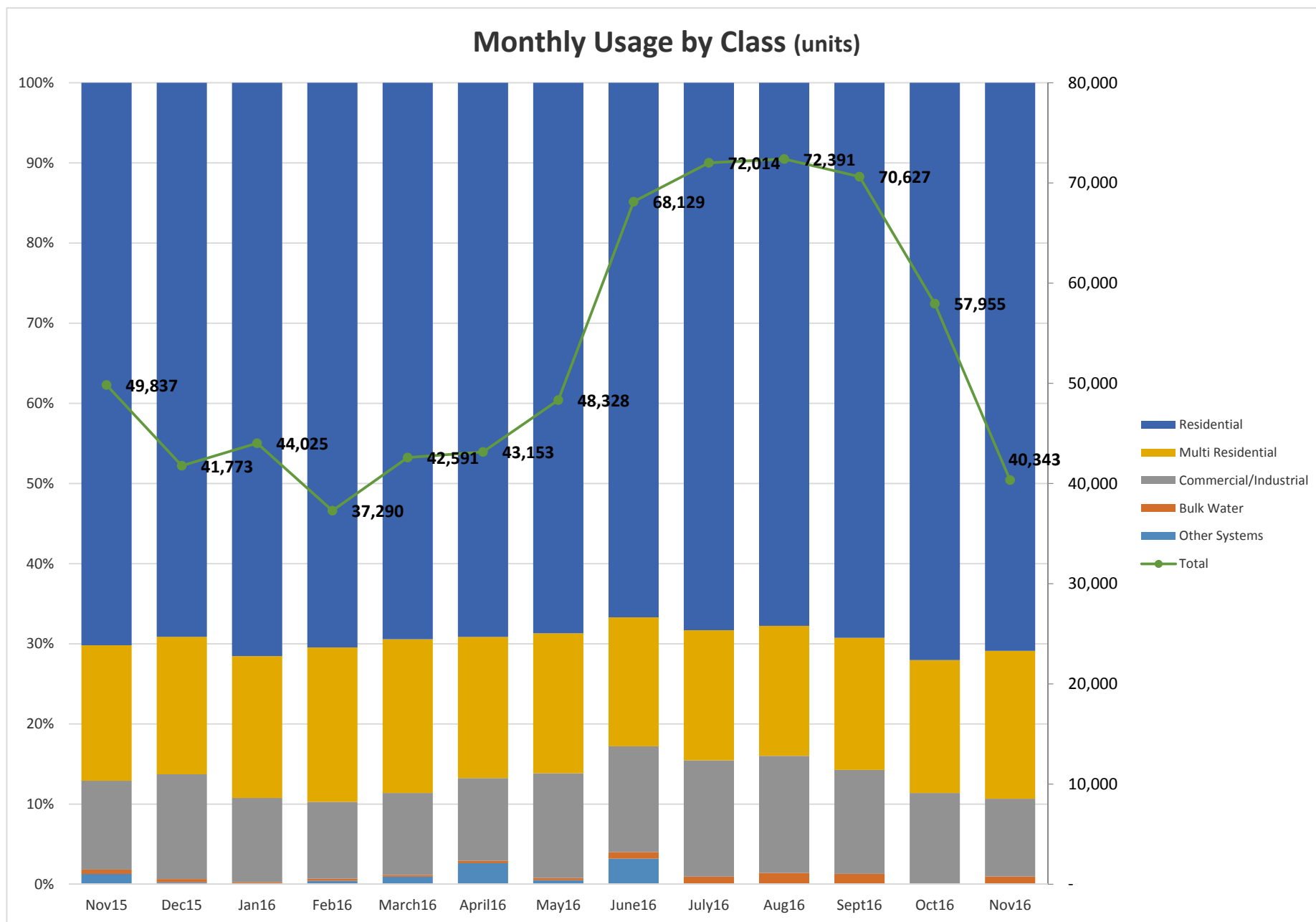
STRATEGIC PLAN: 5.1 Fiscal Plan for support of Strategy

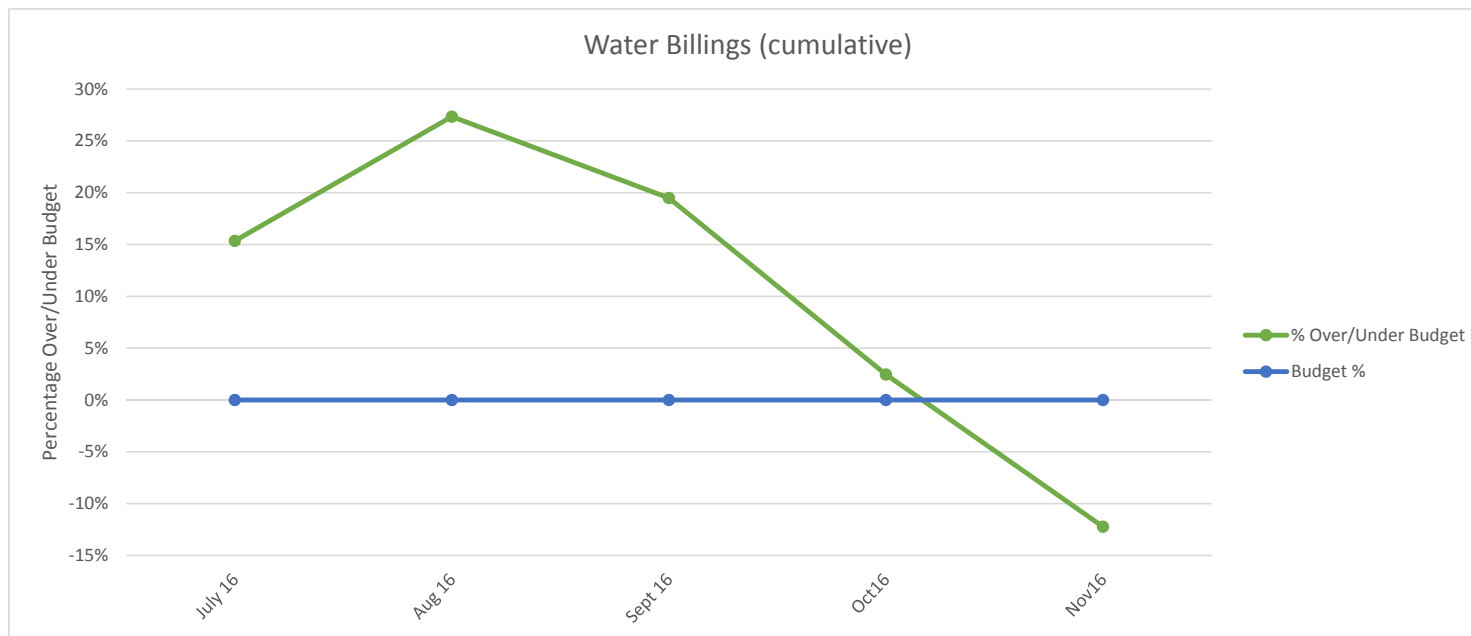
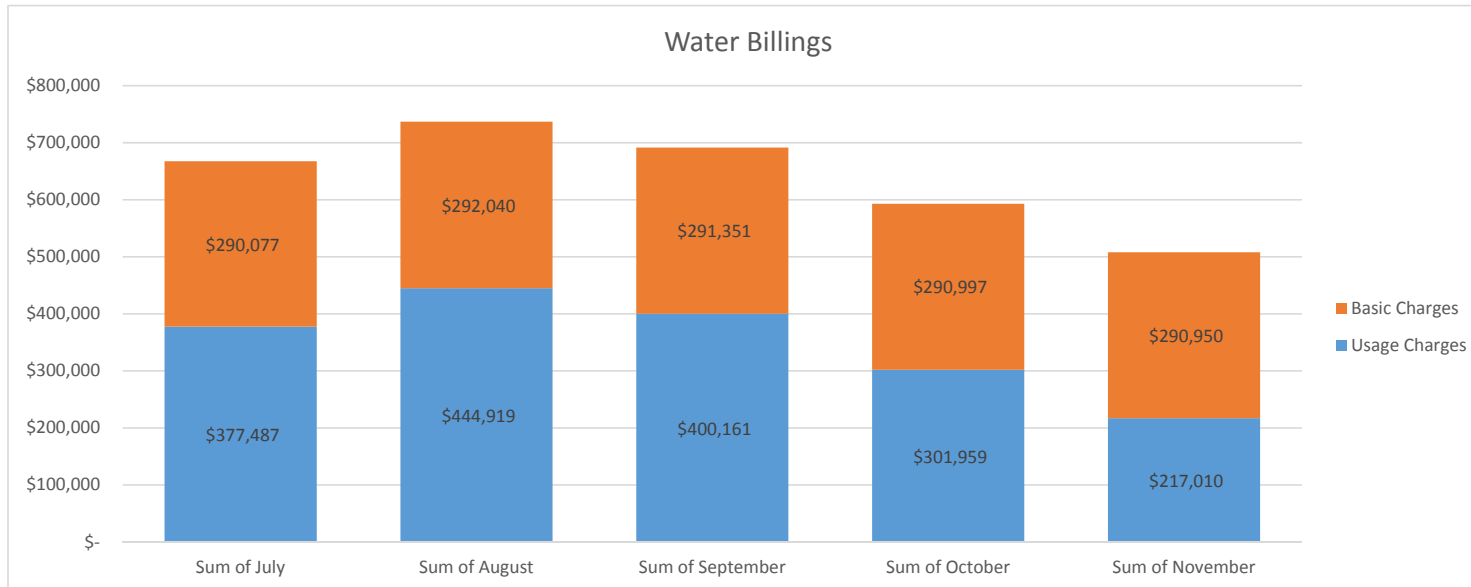
FISCAL IMPACT: none

OPERATING ANALYSIS [A]

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	YTD	ANNUAL BUDGET	% of Budget
OPERATING REVENUE								
Water Basic	290,077	292,040	291,351	290,997	290,950	1,455,416		
Water Usage	377,487	444,919	400,161	301,959	217,010	1,741,536		
Water Fees	7,100	6,325	6,660	2,435	4,600	27,120		
Water Misc	6,452	8,697	13,185	1,397	2,949	32,679		
Sewer	8,046	8,046	8,046	7,897	8,026	40,061		
Sewer Misc	-	-	-	-	-	-		
TOTAL OPERATING REVENUE	689,162	760,027	719,403	604,684	523,535	3,296,812	6,944,640	47.5%
OPERATING EXPENSES:								
Salaries & Benefits	577,959	375,342	284,121	396,642	276,479	1,910,543		
Materials & Services	13,725	280,631	657,675	198,655	229,919	1,380,604		
TOTAL OPERATING EXPENSES	591,683	655,973	941,796	595,297	506,398	3,291,147	8,365,760	39.3%
TOTAL OPERATING INCOME (LOSS)	97,479	104,054	(222,393)	9,388	17,137	5,665	(1,321,151)	-0.4%

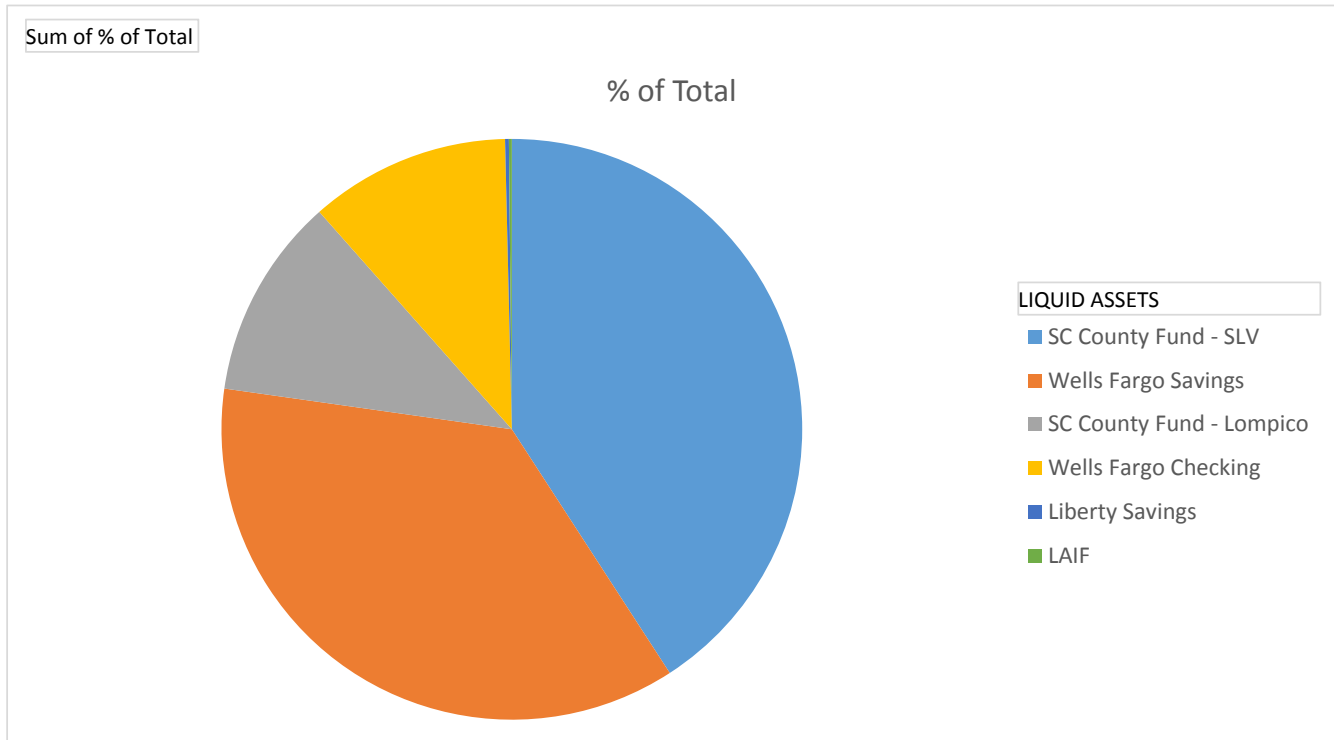
[A] As mentioned previously, monthly data can appear skewed due to the nature of entries. For example, estimated depreciation is booked quarterly on the last day of the quarter. Fiscal year end accruals and reversals are performed at once and may not coincide with the month the expense came in.





AS OF 11/30/16

LIQUID ASSETS	\$ Amount	% of Total	Ave Interest Rate
Wells Fargo Checking	231,377	11.2%	0.100%
Wells Fargo Savings	754,416	36.4%	0.150%
Liberty Savings	4,349	0.2%	0.150%
SC County Fund - SLV	846,743	40.8%	0.824%
SC County Fund - Lompico	232,656	11.2%	0.824%
LAIF	3,372	0.2%	0.654%
	<u>\$ 2,072,914</u>	<u>100%</u>	



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
December 08,
2016

SAN LORENZO VALLEY WATER DISTRICT

DISTRICT MANAGER
13060 HIGHWAY 9
BOULDER CREEK, CA 95006

[PMIA Average Monthly Yields](#)

[Tran Type Definitions](#)

November 2016 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,372.38
Total Withdrawal:	0.00	Ending Balance:	3,372.38

G/L Balances

Criteria: As Of = 11/30/2016; Fund = 76530, 76531, 35115

G/L Account	Title	Beginning Balance	Year-To-Date Debits	Year-To-Date Credits	End Balance
Fund 76530 -- SLV-LOMPICO WTR, EFF 6/2/16					
101	EQUITY IN POOLED CASH	217,734.66	2,616.29	0.00	220,350.95
102	IMPREST CASH	250.00	0.00	0.00	250.00
124	INVENTORIES	17,497.00	0.00	0.00	17,497.00
150	BOND ISSUANCE COST	2,125.00	0.00	0.00	2,125.00
161	LAND	34,820.00	0.00	0.00	34,820.00
162	STRUCTURES AND IMPROVEMENTS	3,658,470.00	0.00	0.00	3,658,470.00
163	ACCUM. DEPR - STRUCT & IMP	(2,579,523.00)	0.00	0.00	(2,579,523.00)
164	EQUIPMENT	75,283.00	0.00	0.00	75,283.00
201	VOUCHERS PAYABLE (VENDOR)	0.00	26.70	(26.70)	0.00
208	COMPENSATED ABSENCES	(7,232.05)	0.00	0.00	(7,232.05)
232	BONDS OUTSTANDING	(361,000.00)	0.00	0.00	(361,000.00)
234	OTHER LONG-TERM LIABILITIES	(110,789.96)	0.00	0.00	(110,789.96)
240	STALE DATED WARRANTS LIABILITY	(1,337.20)	0.00	(26.70)	(1,363.90)
302	FUND BAL-NONSPENDABLE INVENTOR	(17,497.00)	0.00	0.00	(17,497.00)
341	FUND BAL-NONSPENDABLE	(250.00)	0.00	0.00	(250.00)
343	FUND BAL-ASSIGNED	(2,191.57)	0.00	0.00	(2,191.57)
344	FUND BALANCE	(139,298.88)	0.03	(2,589.62)	(141,888.47)
349	INVESTMENT IN PROPRIETARY FIXE	(787,060.00)	0.00	0.00	(787,060.00)
Total Fund 76530		0.00	2,643.02	(2,643.02)	0.00
Fund 76531 -- SLV-LOMPICO WATER-DWR RES					
101	EQUITY IN POOLED CASH	12,305.00	0.00	0.00	12,305.00
344	FUND BALANCE	(12,305.00)	0.00	0.00	(12,305.00)
Total Fund 76531		0.00	0.00	0.00	0.00

G/L Balances

Criteria: As Of = 11/30/2016; Fund = 76644

G/L Account	Title	Beginning Balance	Year-To-Date Debits	Year-To-Date Credits	End Balance
Fund 76644 -- SAN LORENZO VALLEY WATER TRUST					
101	EQUITY IN POOLED CASH	828,328.63	18,413.92	0.00	846,742.55
220	DEFERRED CREDITS	(500,000.00)	0.00	0.00	(500,000.00)
344	FUND BALANCE	(328,328.63)	0.26	(18,414.18)	(346,742.55)
Total Fund 76644		0.00	18,414.18	(18,414.18)	0.00

M E M O

TO: Board of Directors

FROM: District Manager

PREPARED BY: Finance Manager

SUBJECT: ONE TIME LEAK ADJUSTMENT STATUS REPORT

DATE: January 12, 2017

San Lorenzo Valley Water District realizes that leaks occasionally occur that will cause the customer's bill to be extraordinarily high. The District adopted a Water Bill Adjustment in the Rules and Regulations to assist customers with a one-time leak adjustment per account. To obtain a one-time leak adjustment, the customer must submit a written leak adjustment request. After review and approval, adjustments can be made to the customer's account.

During the time frame from October 1, 2016 to December 31, 2016, there were 15 leak adjustments processed. The majority of these appeared to be broken pipes on the customer side breaking or needing repair.

STRATEGIC PLAN:

Element 6.0 - Public Affairs

FISCAL IMPACT:

\$5,421.12

Utility Billing
Transactions by Date
LEAK ADJUSTMENT - Q2 2017



13060 Highway 9
Boulder Creek, CA 95006-9119
(831) 338-2153 phone
(831) 338-7986 fax

Date Range: From: 10/01/2016 To: 12/31/2016
Batch Type: Adj & Fees
Billing Cycle: 001, 002, 999

Account No Reference No	Journal Entry Date Tran Type	Amount	Units Above Average Cause of Leak	How Leak Was Detected
005265-000 110241022	10/5/2016 Adjustment	\$ (267.96)	UNITS OVER AVERAGE = 77 CAUSE OF LEAK = DEFECTIVE CONTROL VALVES ON IRRIGATION SYSTEM	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
005691-000 140677000	10/27/2016 Adjustment	\$ (1,811.18)	UNITS OVER AVERAGE = 476 CAUSE OF LEAK = BROKEN OUTDOOR 1" SPIGOT	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
006225-000 230006601	10/4/2016 Adjustment	\$ (442.97)	UNITS OVER AVERAGE = 148.4 CAUSE OF LEAK = ELBOW PIPE BROKEN	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
006243-000 230007450	12/14/2016 Adjustment	\$ (229.08)	UNITS OVER AVERAGE = 95.25 CAUSE OF LEAK = OAK TREE ROOTS DAMAGED PIPE	CUSTOMER NOTICED LEAK
006547-000 250000750	10/5/2016 Adjustment	\$ (415.95)	UNITS OVER AVERAGE = 147.5 CAUSE OF LEAK = BROKEN IRRIGATION LINE	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
006834-000 260006451	12/27/2016 Adjustment	\$ (170.76)	UNITS OVER AVERAGE = 71 CAUSE OF LEAK = BROKEN PIPE	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
007485-000 290005650	12/6/2016 Adjustment	\$ (259.70)	UNITS OVER AVERAGE = 87 CAUSE OF LEAK = LEAK IN IRRIGATION	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
011850-000 810141000	10/27/2016 Adjustment	\$ (134.33)	UNITS OVER AVERAGE = 45 CAUSE OF LEAK = BROKEN PIPE	CUSTOMER NOTICED GRADUAL HIGHER USAGE
012944-000 950136010	11/10/2016 Adjustment	\$ (104.40)	UNITS OVER AVERAGE = 30 CAUSE OF LEAK = BROKEN PIPE	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
014302-000 N/A	10/21/2016 Adjustment	\$ (97.85)	UNITS OVER AVERAGE = 34.7 CAUSE OF LEAK = NO REASON GIVEN	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
008894-000 540514022	12/27/2016 Adjustment	\$ (156.60)	UNITS OVER AVERAGE = 45 CAUSE OF LEAK = BROKEN PIPE	CUSTOMER NOTICED GRADUAL HIGHER USAGE
009198-000 560755001	11/17/2016 Adjustment	\$ (152.20)	UNITS OVER AVERAGE = 40 CAUSE OF LEAK = BROKEN PIPE	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
009332-000 610002000	10/21/2016 Adjustment	\$ (252.53)	UNITS OVER AVERAGE = 105 CAUSE OF LEAK = BROKEN SHUT OFF VALVE	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
011272-000 730554002	10/5/2016 Adjustment	\$ (862.92)	UNITS OVER AVERAGE = 306 CAUSE OF LEAK = NO REASON GIVEN	SLVWD INFORMED CUSTOMER AFTER METER READING CAME BACK WITH HIGH USAGE
013945-000 22001000	10/5/2016 Adjustment	\$ (62.69)	UNITS OVER AVERAGE = 21 CAUSE OF LEAK = BROKEN PIPE	CUSTOMER NOTICED HIGHER USAGE
LEAK Totals		\$ (5,421.12)		
# Leak Adj		15		
FY 1617 YTD Totals		\$ (9,998.08)		
# Leak Adj		31		

In accordance with District Rules & Regulations, authorizing water bill adjustments, District staff has adjusted the above accounts for the period stated above.

MEMO

To: Board of Directors

From: District Manager

Prepared by: Environmental Programs Manager

SUBJECT: 2015 URBAN WATER MANAGEMENT PLAN PRESENTATION

DATE: January 19, 2017

Spencer Waterman from Water Systems Consulting will present the findings from the 2015 Urban Water management Plan which was submitted in December 2016.

BACKGROUND

Water Systems Consulting prepared the update to the 2015 Urban Water Management Plan in accordance with the requirements identified in the California Department of Water Resources (DWR) Water Code, Sections §10608- 10656. The District held a public hearing and accepted comments and on November 3, 2016. Revisions to the Plan were made and the Plan was submitted in December 2016. The Final plan submitted to DWR can be found at:

http://slvwd.com/admin/SLVWD%202015%20UWMP_Final_12-2-2016.pdf

STRATEGIC PLAN

Element 3.1 - Capital Improvement Program

Element 5.1 - Fiscal Plan for Support of Strategy

Element 5.2 - Funding Infrastructure Replacement

Element 5.3 - Provide Support for Applying for and Securing Grants & Loans

FISCAL IMPACT

\$41,954 Contract and Professional Services

MEMO

TO: Board of Directors

FROM: District Manager

PREPARED BY: Environmental Department Manager

SUBJECT: EASEMENT ACROSS APN 065-281-03

DATE: January 19, 2017

RECOMMENDATION

It is recommended that the Board of Directors review this memo and by motion of the Board provide direction to staff to proceed with the grant of an easement across District Parcel APN 065-281-03 located along Kirby Street, Felton. This will authorize the District Manager to sign the attached owner agent agreement form, granting permission to the County to include District land in the development permit application for the Felton Library Outdoor Education Zone which will be managed by County Parks Department.

BACKGROUND

For many years District Staff has been working with representatives of the County of Santa Cruz and Friends of the Library relative to a proposed new Felton Library. The new library was approved for funding in June 2016 and is in the planning phase to be constructed adjacent to the District's Kirby Water Treatment Plant along the Bull Creek riparian area. The District has been working closely as part of a technical advisory team to design an outdoor education area that will be part of the Library project.

The District owned land in the low-lying area along Bull Creek (see attached map) has been identified as unusable space for District Operations. The Library Project Team is process of finalizing the design for the Outdoor Education Zone and requests to expand its area through an easement to access part of the District Parcel. The area proposed on the attached map would be the maximum possible area and will likely be reduced based on the final design of the space. Once the Easement area is finalized, Staff will bring the proposed easement to the Board for final approval.

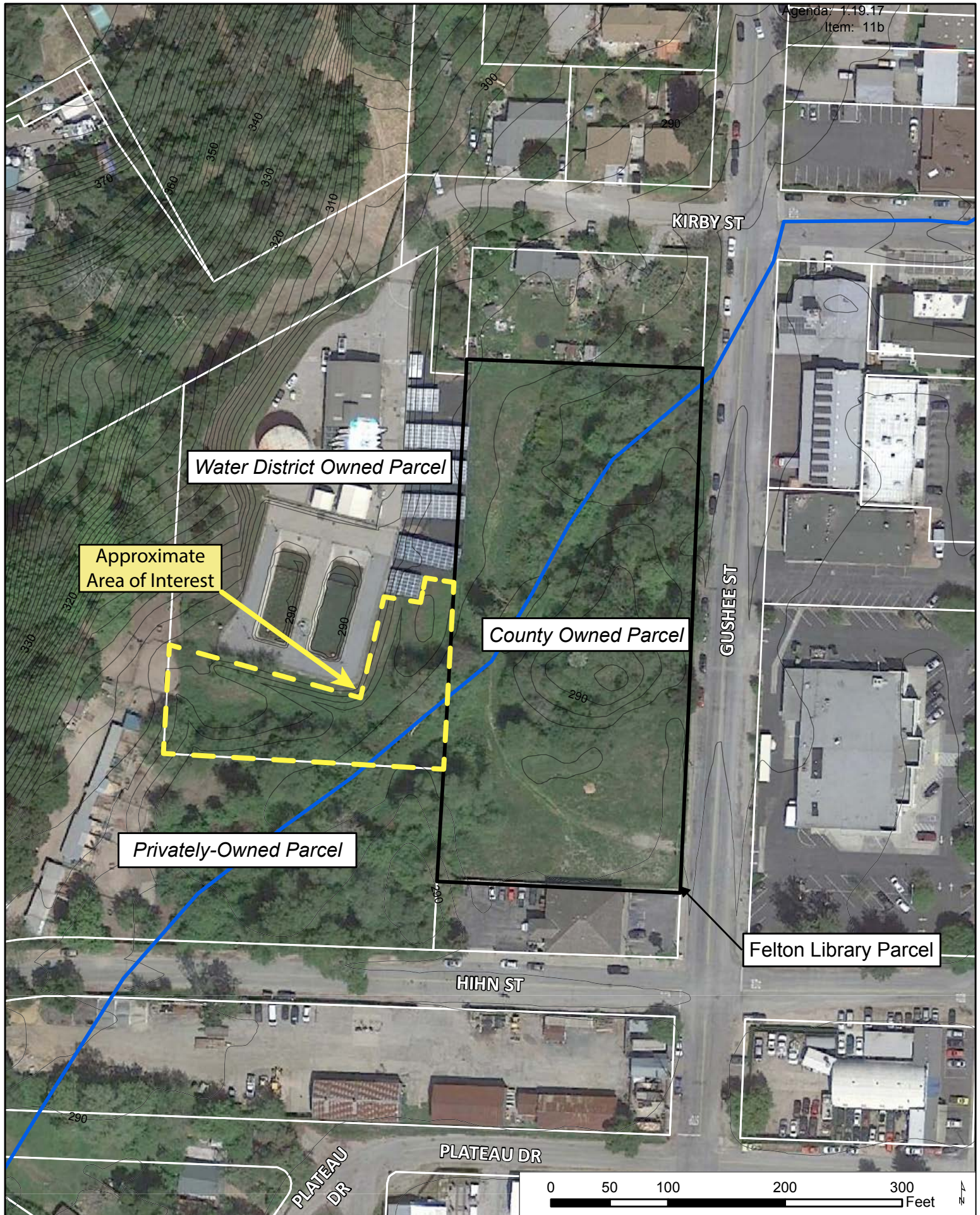
It is recommended that the Board of Directors review this memo and by motion of the Board provide direction to staff to proceed with the grant of an easement across District Parcel APN 065-281-03 located along Kirby Street, Felton.

2015 STRATEGIC PLAN:

Strategic Element 2.0 - Watershed Stewardship
Strategic Element 2.4 Education Program

FISCAL IMPACT:

None



Felton Library and Adjacent Parcels

Image Source: Google Earth, April 2016.



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

OWNER-AGENT APPROVAL FORM

For persons other than the owner who wish to obtain a building, development and/or other permit, the approval of the owner is required.

This is the County's authorization to issue a permit to the agent listed below:

Agent:

Name: Brian C. Lee
Address: 13060 Hwy 9
City: Boulder Creek
State/Zip Code: CA 95006-9119
Telephone: (831) 430-4627

Owner:

Name: San Lorenzo Valley Water District
Address: 13060 Hwy 9
City: Boulder Creek,
State/Zip Code: CA, 95006-9119
Telephone: (831) 430-4627

January 17, 2017

Date:

065-281-03

Assessor's Parcel Number(s)

Signature of Owner

Kirby Street

Project Location

Note: One Owner-Agent form will be required for each permit required. In the case where there is more than one owner of a parcel, the owner signing this form represents that he/ she has the consent from all other owners of the parcel. For development permits, by signing this form, the owner is authorizing the agent to legally bind the owner to responsibility for payment of the County's cost for inspections and all other actions related to noncompliance with permit conditions. The agent will be required to provide the department with proof of service by mail, that the owner was mailed a copy of the executed acceptance of permit conditions. Finally, by signing this form, the owner is designating the agent as their Agent for Service of Process for all matters relating to this application.

****Any refunds will be made to whomever made the payment**

M E M O

To: Board of Directors
From: District Manager
Subject: CALL FOR NOMINATIONS FOR LAFCO COMMISSIONER
Date: June 13, 2006

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and attached information from LAFCO relative to a call for nominations to fill a regular member position and an alternate member position on the Santa Cruz Local Agency Formation Commission (LAFCO).

BACKGROUND:

By Certified Mail dated December 20, 2016, LAFCO is soliciting nominations to fill a regular member position and an alternate member position of LAFCO. See attachment. The vacancies are due to the end of the 4 year term of Felton Fire Protection District representative Jim Anderson, and the alternate member, Art Smith of the Scotts Valley Fire Protection District did not get re-elected. Pursuant to the rules adopted by special districts relative to LAFCO representation a water district board member may not be nominated to fill the regular member vacancy but may be nominated to fill the alternate member position. The deadline for nominations is February 17, 2017.

STRATEGIC PLAN:

Element 7.0 - Strategic Partners

FISCAL IMPACT:

None



RECEIVED

DEC 22 2016

SAN LORENZO VALLEY
WATER DISTRICT

December 20, 2016
Certified Mail

Chair
San Lorenzo Valley Water District
13060 Central Ave.
Boulder Creek CA 95006

SUBJECT: 2017 ELECTION OF SPECIAL DISTRICT MEMBER AND SPECIAL DISTRICT
ALTERNATE ON LAFCO

Dear Board Chairperson:

The independent special districts in Santa Cruz County have three positions on the LAFCO board. Tom LaHue (Soquel Creek Water District) is in the middle of a four-year term as a regular LAFCO member. Jim Anderson (Felton Fire Protection District) is nearing the end of his four-year term as a regular LAFCO member. Art Smith (Scotts Valley Fire Protection District), the Special District Alternate did not get re-elected to another term on the fire protection district board. As a result, his position on LAFCO is now vacant. The purpose of this letter is to solicit nominations for the regular member position and for the alternate member position.

The term of the regular position begins on May 1, 2017 and ends on May 3, 2021. Under the selection rules, the two regular members cannot be from the same type of district (fire, water, recreation, miscellaneous). Since the regular member currently in the middle of a term is from a water district, the regular position being filled cannot be from a water district. The pool of people eligible to apply for the regular member term is anyone who is on the board of an independent special district in Santa Cruz County, except for water district and water management agency board members.

The alternate term is currently vacant and ends on May 3, 2021. The pool of people eligible to apply is anyone who is on the board of any independent special district in Santa Cruz County. There are no restrictions regarding the type of district.

I have attached a form by which a board member may apply for either or both positions. An electronic format of the form can be accessed at:

[http://www.santacruzlafco.org/wp-content/uploads/2016/12/Special-District-Regular-Alternate-Nomination-Fillable-FSan Lorenzo Valley Water Districtform-2017.pdf](http://www.santacruzlafco.org/wp-content/uploads/2016/12/Special-District-Regular-Alternate-Nomination-Fillable-FSan%20Lorenzo%20Valley%20Water%20Districtform-2017.pdf)

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY



CALL FOR:

SPECIAL DISTRICT REGULAR MEMBER AND ALTERNATE MEMBER
NOMINATION PERIOD CLOSING FEBRUARY 17, 2017

INSTRUCTIONS:

If you are interested in serving as a special district member or alternate on LAFCO, please complete and sign the following application and either mail, hand deliver, or email form to:

Mailing address:

LAFCO
Room 318-D
701 Ocean Street
Santa Cruz CA 95060

Email: deb@santacruzlafco.org

Applications must be received in the LAFCO office no later than 5:00 p.m. on February 17, 2017.

Thank you for your interest in the Local Agency Formation Commission.

I am applying for (Check One Box):

<input type="checkbox"/>	Only the regular member * (term ends May 2021)	* Water District board members are not eligible
<input type="checkbox"/>	Only the alternate member (term ends May 2021)	
<input type="checkbox"/>	Both positions *	* Water District board members are not eligible

NAME: _____

MAILING ADDRESS: Street: _____

City, Zip: _____

PHONES Home: _____ Cell: _____ Work: _____

EMAIL: _____

DISTRICT BOARD ON WHICH YOU SERVE: _____

PREVIOUS BOARDS, COMMISSIONS, OR COMMITTEES SERVED:

<u>Organization</u>	<u>Term</u>
_____	_____
_____	_____
_____	_____
_____	_____

STATEMENT OF INTEREST:

You may attach separate documents to present additional qualifications or provide a Statement of Interest in serving on LAFCO.

CERTIFICATION:

I certify that the information provided is true and correct, and I authorize the verification of the information in the application.

Printed Name of Board Member Interested in Serving on LAFCO

Signature

Date

MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: Discussion and Possible Action on Recommendation to Approve Resolution No. 22 (16-17) In Support of County Funds for Repairs of Bear Creek Road, Soquel-San Jose Road and Cabrillo College Drive

DATE: January 12, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, the attached communication from the office of Santa Cruz County Supervisor Bruce McPherson and the attached Resolution No. 22 (16-17) supporting \$2 million from County reserve funds for the repair of the 3 of the most urgent storm damaged roads.

BACKGROUND:

Over the last several weeks storm events have caused serious damage and loss of a travel lane to 2 essential roads, Bear Creek Rd. and Soquel-San Jose Rd., which serve as alternative routes to Highway 17 and are used as emergency routes when Highway 17 is closed. Also damaged, by drainage system failure, and reduced to one lane is Cabrillo College Dr. Each of the 3 roads carry 4,000 to 8,000 vehicles daily. SLVWD operates a wastewater treatment facility off of Bear Creek Rd. that requires regular maintenance to insure health and safety. Due to the damage of Bear Creek Rd. the District has had to put in a bypass water main, reducing the size of the water main and reducing fire flow and potable water supply.

Supervisor Bruce McPherson is requesting \$2 million from the County reserve funds next week to repair Bear Creek Rd., Soquel-San Jose Rd and Cabrillo College Dr. immediately. The Board of Supervisors declared a state of emergency and asked the Governor, the OES, FEMA and Caltrans to support the declaration, allowing the state and federal aid to assist the County in restoring the storm damaged roadways. Supervisor McPherson said that we cannot wait for state and federal funds, the roads require immediate attention. He said, "This is why we have reserves. These roads are critical for our communities".

STRATEGIC PLAN:

Element 6.0 – Public Affairs

FISCAL IMPACT:

None

SAN LORENZO VALLEY WATER DISTRICT

SUPPORT OF SANTA CRUZ COUNTY RESERVE FUNDS TO BE USED FOR REPAIR OF CRITICAL AND ESSENTIAL COUNTY ROADS DAMAGED IN RECENT STORM EVENTS

RESOLUTION NO. 22 (16-17)

WHEREAS, recent storm events and drainage system failure caused damage and loss of travel lanes to essential commuter and emergency access roads in Santa Cruz County; and

WHEREAS, the County Board of Supervisors declared a state of emergency related to the damaged roads on Tuesday, January 11, 2017; and

WHEREAS, Supervisor Bruce McPherson said that state and federal funds for repairs will not come in a timely manner; and

WHEREAS, Supervisor McPherson is requesting \$2 million from the County reserve funds next week for the repair of Bear Creek Rd, Soquel-San Jose Rd. and Cabrillo College Dr.; and

WHEREAS, the San Lorenzo Valley Water District operates a wastewater treatment facility off Bear Creek Road and closure of the road would impact the health and safety by limiting access to the facility; and

WHEREAS, the San Lorenzo Valley Water District supplies potable water to 450 homes past the damaged area of Bear Creek Road and has had to reduce the water main size to bypass the damaged area limiting fire flow and potable water supply;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Lorenzo Valley Water District hereby supports the request for Santa Cruz County reserve funds to be used for the repair of critical and essential County roads damaged in recent storm events.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 19th day of January, 2017, by the following vote of the members thereof:

ROLL CALL:

Ayes:
Noes:
Abstain:
Absent:

Holly B. Morrison
District Secretary

From Robin Musitelli, Supervisor McPherson's Office

January 12, 2017

Supervisor Bruce McPherson is requesting \$2 million from County reserve funds next week to repair three of the most urgent storm damaged roads. "This is why we have reserves," McPherson said. "These roads are critical for our communities."

Bear Creek Road lost a travel lane in this week's storm and Soquel-San Jose Road lost a travel lane several weeks ago in a previous storm event. Both roads serve as alternative routes to Highway 17 and carry traffic volumes in the 4,000 to 8,000 vehicles on an average day. Both roads see significantly higher volumes when they are used as emergency routes when Highway 17 is closed for any reason. Additionally, Cabrillo College Drive also received significant damage to one lane of travel due a failed drainage system. Cabrillo College has traffic volumes of around 4,000 vehicles a day.

With an estimate of up to \$6 million or more in damages to County public roads, the Board of Supervisors on Tuesday declared a state of emergency and asked the Governor, as well as the California Office of Emergency Services, FEMA and Caltrans, to follow up in support of the emergency declaration. Those declarations would allow state and federal aid to assist the County is restoring much of the storm damaged roadways.

Supervisor McPherson said that we cannot wait for the state and federal declarations and that we need to get a heads start on repairing the County road system. Because Bear Creek Road and Soquel-San Jose Road are considered federal aid routes, the funding for repairs could be partially funded by the federal government, with the local match supplied by the County. The County would do the work to fix the slip-out, with the Federal Highway Administration paying up to 75 percent of the repair work, and the County would pay for 25 percent.

The section of Bear Creek Road that washed down the hill, about .2 miles from Boulder Creek, will cost an estimated \$1.5 million to fix. Soquel-San Jose Road will cost about \$350,000 and Cabrillo College Drive will cost an estimated \$200,000, based on current estimates from the County Public Works Department.

McPherson said that even using emergency reserve funds, due to the geotechnical work, meeting design requirements, bidding, and construction timelines, it will take probably until the end of summer or longer to fully restore both roads. McPherson's request is expected to be considered by the Board of Supervisors on Jan. 24.

MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: Discussion and Possible Action on Recommendation to Approve
the Completed Enterprise Wide Cost-of-Service Study.

DATE: January 19, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, review the attached Cost-of-Service report and approve same.

BACKGROUND:

IN 2016 the District awarded a contract to NBS Consulting to conduct a study to assist the District in determining what actual cost are to provide water and sewer service. The study included a review of current operations with recommendations for optimal staffing and capital needs.

STRATEGIC PLAN:

Element 5.0 – Fiscal Planning

FISCAL IMPACT:

None at this time



San Lorenzo Valley Water District
Enterprise Wide Cost of Service Financial Study
Draft Report
November 2016

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SECTION 1. PURPOSE AND OVERVIEW OF THE STUDY

PURPOSE

San Lorenzo Valley Water District (District) retained NBS in February this year to conduct an Enterprise Wide Cost of Service Financial Study for a number of reasons, including performing a thorough cost of service analysis for water and wastewater systems. Additionally, this study included an assessment of the water and wastewater systems as well as a water and wastewater staffing study. These two tasks were performed by sub consultants, V. W. Housen & Associates, Inc. and DeLoach & Associates, Inc., respectively. Both sub consultants provided reports which were prepared independent from this document, but included as appendices (under separate cover) for reference.

A cost-of-service study, unlike a rate study, is intended to identify the annual costs that should be allocated to each of the District's customer classes, whereas a "rate study" results in individual rates for each class. The cost of service analysis performed in this study was developed in a manner that is consistent with industry standards. In addition to documenting the study methodology, this report is provided with the intent of assisting District to maintain transparent communications with its residents and businesses.

NBS worked cooperatively with District staff in developing the cost of service analysis (COS or COSA) and this report summarizes the final results.

OVERVIEW OF THE STUDY

Comprehensive "rate studies" typically include the three components shown in **Figure 1**: (1) preparation of a financial plan which identifies the net revenue requirements for the utility; (2) analysis of the cost to serve each customer class (i.e., the "cost-of-service" addressed in this study), and; (3) the rate structure design.

Figure 1. Primary Components of a Rate Study



These steps are intended to follow industry standards and reflect the fundamental principles embodied in the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges¹, also referred to as Manual M1. In terms of the chronology of the study, these three steps represent the order they were performed in this Study. Following this chronology, this study completes the first two steps, resulting in the total annual net revenue requirements and the cost-of-service (COS) for each customer class. The District intends to address the third step for rate design in a separate rate study.

The following sections in this report present an overview of the methodologies, assumptions, and data used along with the financial plans and COS results. Appendix A provides more detailed cost-of-service figures; Appendices B and C provide tables and figures documenting the development of the results.

¹ Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, sixth edition, 2012.

Key Financial Assumptions

The following are the key financial assumptions used in the cost of service analyses:

- **Funding of Water & Wastewater Utility Capital Projects** – The District plans to fund planned capital costs through rate revenues and existing reserves². The capital projects listed in the financial plan are from District's projection of costs recently provided by V. W. Housen & Associates, Inc. through FY 2025/26.
- **Reserve Targets** – Reserves for operations and capital needs are set at the target level that was established by the Board in Resolution 9 (16-17). These reserves are considered unrestricted reserves and consist of the following:

Water:

- ✓ Operating Reserve – equal to \$1.5 million for FY 2016/17 and growing to 180 days of operating expenses over ten years.
- ✓ Capital Improvement Reserve – equal to \$2.0 million or 3 percent of Net Capital Assets, whichever is greater.

Wastewater:

- ✓ Operating Reserve – equal to 90 days of operating expenses, or \$31,500 for FY 2016/17.
 - ✓ Capital Improvement Reserve – equal to \$97,000 for FY 2016/17, which approximates the annual average of CIP expenditures.
- **Inflation and Growth Projections** – Assumptions were made in the analysis with regard to cost inflation in order to project future expenses for the study period. The following inflation factors were used in the analysis, for both water and wastewater utilities:
 - ✓ Customer growth is 0.0 percent annually.
 - ✓ General cost inflation is 2.65 percent annually.
 - ✓ Labor and Health Benefits cost inflation is 2.69 percent annually.
 - ✓ Chemical cost inflation is 5.0 percent annually.
 - ✓ Energy cost inflation is 4.4 percent annually.

These inflation factors are based on specific cost indices and/or common values adopted by other California water agencies; see page 12 of Appendix B for details.

² We have reflected the results of V.W. Housen and Associate's analysis; how much of those capital project costs the District ultimately funds will be determined by the District's Board at a future date.

SECTION 2. WATER COST OF SERVICE STUDY

KEY COST OF SERVICE STUDY ISSUES

The District's cost of service analysis was undertaken with a few specific objectives, including:

- Developing a long-term financial plan incorporating recommended capital improvement program costs and staffing study results, as well as annual operating, debt service and administrative costs.
- Identifying cost requirements by customer class.

The following are the basic components included in this analysis:

- **Developing Annual Cost of Service:** NBS developed various financial plan alternatives as requested by District staff over the course of this study to reflect budgeted operating and planned capital improvement costs.
- **Developing Functionalized Costs:** The water utility costs were “functionalized” into three categories: (1) customer service costs; (2) fixed capacity costs; and (3) commodity (or volume-based) costs.
- **Determining Cost by Customer Class³:** Costs for each of these functional categories were then allocated to customer classes based on allocation factors, such as water consumption, peaking factors, and number of accounts by meter size. The total cost for each customer class was determined using these functional costs and allocation factors. For example:
 - ✓ Fixed capacity costs are allocated based on peaking requirements.
 - ✓ Volume-related costs are allocated based on the water consumption for each class.
 - ✓ Customer costs are allocated based on number of meters.

Once the costs are allocated and determined, collecting comparable revenue from each customer class would be evaluated in the separate rate design study at a later date.

WATER UTILITY COST OF SERVICE

The basic objective of the cost of service analysis is to identify the annual operating and capital costs as they would be developed based on sound financial management practices. This includes maintaining reasonable reserves in order to handle emergencies, appropriate levels of working capital, and maintaining a good credit rating. The current state of the District, with regard to these objectives, is as follows:

- **Cost of Service:** For FY 2016/17 through FY 2020/21, the projected annual cost service (total annual expenses plus debt service plus capital costs) increase from approximately \$9.7 million to \$10.6 million.
- **Maintaining Adequate Bond Coverage:** The District is required by its bond covenants to maintain a debt service coverage ratio of at least 1.25 for the outstanding 2012 Revenue Bond.
- **Reserve Funds:** As a part of this analysis, target reserve fund levels of approximately \$4 million were developed: this is an increase over the existing \$3.5 million reserve target that was established by the Board in Resolution 9 (16-17). The reserve funds for the Utility are considered unrestricted reserves and consist of the following:
 - ✓ **Operating Reserve** should equal approximately \$1.5 million or up to 180 days of operating expenses. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue

³ District currently uses meter sizes as customer classes; however, revenue requirements were established for customer classes, not meter sizes.

streams (volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.

- ✓ **Capital Reserve** should be approximately \$2 million or up to 3 percent of net assets, which is set aside to address long-term capital system replacement and rehabilitation needs. If this reserve is maintained at the target established by the Board, District will have a healthy cash reserve for future capital needs.
- **Capital Improvement Projects:** The District has a number of capital improvement projects that are necessary in order for the Utility to maintain and improve current service levels. District staff has identified roughly \$3.6 million in expected capital expenditures for FY 2015/16, \$3.1 million in FY 2016/17, and every year thereafter \$2.6 to \$2.9 million in capital expenditures are expected (future year value).

Figure 2 summarizes the uses of funds and total costs for the next 5 years. The utility's proposed 10-year financial plan is included in Appendix B, and include costs, reserve funds, and the District's capital improvement program. **Figure 3** summarizes the projected reserve fund balances and reserve targets assuming the capital improvement projects will be fully funded. As this figure shows, the District will need to address projected annual deficits.

Figure 2. Summary of Annual Cost of Service

Cost of Service Summary	Budget	Projected				
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Costs of Water Service						
Water Fund Expenses	\$ 5,716,286	\$ 6,269,040	\$ 6,735,741	\$ 7,114,838	\$ 7,404,526	\$ 7,601,305
Debt Service	896,508	896,508	896,508	896,508	795,095	693,682
Capital Expenses	2,397,525	3,100,000	2,583,059	2,660,550	2,740,367	2,822,578
Total	\$ 9,010,318	\$ 10,265,547	\$ 10,215,307	\$ 10,671,896	\$ 10,939,988	\$ 11,117,565

Figure 3. Summary of Water Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected				
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Reserve						
Ending Balance	\$ (430,534)	\$ (4,833,859)	\$ (9,186,372)	\$ (13,994,540)	\$ (19,069,865)	\$ (24,321,834)
<i>Recommended Minimum Target</i>	<i>1,500,000</i>	<i>1,500,000</i>	<i>1,684,000</i>	<i>1,779,000</i>	<i>1,851,000</i>	<i>1,900,000</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Recommended Minimum Target</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>	<i>2,000,000</i>
Debt Reserve						
Ending Balance	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594
<i>Recommended Minimum Target</i>	<i>373,594</i>	<i>373,594</i>	<i>373,594</i>	<i>373,594</i>	<i>373,594</i>	<i>373,594</i>
Total Ending Balance	\$ (56,940)	\$ (4,460,264)	\$ (8,812,777)	\$ (13,620,945)	\$ (18,696,271)	\$ (23,948,240)
<i>Total Recommended Minimum Target</i>	<i>\$ 3,873,594</i>	<i>\$ 3,873,594</i>	<i>\$ 4,057,594</i>	<i>\$ 4,152,594</i>	<i>\$ 4,224,594</i>	<i>\$ 4,273,594</i>

CHARACTERISTICS OF WATER CUSTOMERS BY CUSTOMER CLASS

The amount of consumption, the peaking factors, and the number of meters by customer class are all factors used in allocating costs as a part of the cost-of-service analysis. The District's most recent consumption data is summarized in **Figure 4**, peaking factors by meter size are summarized in **Figure 5**, and **Figure 6** compares the total number of meters by customer class.

In Figure 4, the impact of expected customer conservation has been included. Staff expects that for FY 2015/16, water customers will consume 634,462 hundred cubic feet (ccf) of water.

Figure 4. Water Consumption by Customer Class

Development of the COMMODITY (Volumetric) Allocation Factor - Water Utility				
Customer Class	FY 2014/15 Volume (ccf) (1)	% Adjustment for Conservation	Estimated FY 2015/16 Volume Adjusted for Conservation	Percent of Total Volume
Residential	457,003	0%	444,202	70.0%
Multi-Family Residential	107,598	0%	100,184	15.8%
Commercial	8,231	0%	7,261	1.1%
Industrial	31,792	0%	31,389	4.9%
Landscape/Irrigation	35,924	0%	36,761	5.8%
Other systems	5,725	0%	5,779	0.9%
Private Mutual	5,310	0%	6,368	1.0%
Surplus (bulk water sales)	1,330	0%	2,149	0.3%
Vacant	452	0%	370	0.1%
Total	653,365	3%	634,462	100%

1. Consumption data is based on the SLVWD's billing data.

Peaking factors for each customer class are shown in Figure 5. A “peaking factor” is the ratio of each meter size’s peak monthly use to its average monthly use. Both operating costs and capital infrastructure costs incurred to accommodate peak system capacity events are generally allocated to each customer class according to its peaking factor.

Figure 5. Peaking Factors by Customer Class

Development of the CAPACITY (MAX MONTH) Allocation Factors				
Customer Class	Average Monthly Use (ccf)	Peak Monthly Use (ccf) (1)	Peak Monthly Factor	Max Month Capacity Factor
Residential	37,017	48,392	1.31	67.6%
Multi-Family Residential	8,349	10,486	1.26	14.6%
Commercial	605	1,163	1.92	1.6%
Industrial	2,616	3,170	1.21	4.4%
Landscape/Irrigation	3,063	4,590	1.50	6.4%
Other systems	482	1,157	2.40	1.6%
Private Mutual	531	1,956	3.69	2.7%
Surplus (bulk water sales)	179	642	3.58	0.9%
Vacant	31	65	2.11	0.1%
Total	52,872	71,622	1.35	100%

1. Based on peak monthly data (peak day data not available).

The number of meters by customer class is shown in Figure 6. The customer costs allocated to each customer class as part of the cost of service analysis are based on their total number of meters.

Figure 6. Number of Meters by Customer Class

Development of the CUSTOMER Allocation Factor		
Customer Class	Number of Meters (1)	Percent of Total
Residential	6,531	88.6%
Multi-Family Residential	502	6.8%
Commercial	199	2.7%
Industrial	52	0.7%
Landscape/Irrigation	13	0.2%
Other systems	7	0.1%
Private Mutual	6	0.1%
Surplus (bulk water sales)	3	0.0%
Vacant	59	0.8%
Total	7,372	100.0%

1. Meter Count data is based on the SLVWD's billing data for February 2016.

COST OF SERVICE ANALYSIS

Once the total costs of service are determined, as described above, the cost of service analysis distributes those requirements to each of the customer classes. The cost of service analysis consists of two major components: (1) the functionalization and classification of expenses, and (2) the allocation of costs to customer classes. This process is described as follows:

Functionalization, Classification and Allocations

Most costs are not typically allocated 100 percent to fixed or variable categories and, therefore, may be allocated to multiple water service functions. The functionalization/classification of costs provides the basis for allocating the costs to the following cost causation components:

- **Commodity (Variable)** related costs are those costs associated with the total consumption of water over a specified period of time (such as annual).
- **Capacity (Fixed)** related costs are those costs associated with the maximum demand required or the maximum size of facilities required to meet this demand (i.e., their peaking factors, as shown above).
- **Customer (Fixed)** related costs are costs associated with having a customer on the water system, such as meter reading, postage and billing.

Once costs have been organized based on the District's budget classifications, they are allocated to these functional cost causation components in determining the cost of service by customer class. When the District proceeds with a rate study, this information will be used to establish new water rates and determine fixed and variable charges. Appendix B includes detailed tables showing how the District's expenses were allocated to these functional cost causation components.

Fixed costs generally consist of costs that a utility incurs to serve customers irrespective of the amount of water they use. These include (1) the infrastructure (capacity-related facilities) required to provide service to customers; (2) costs associated with the peaking requirements, or maximum demand which affects the maximum size of the water supply system, treatment and delivery system, operations and maintenance costs; and (3) administrative and billing costs associated with meter reading, postage and billing.

Variable costs are those that change as the volume of water produced and delivered changes. These commonly include the costs of chemicals used in the treatment process, energy related to pumping for transmission and distribution, and source of supply.

Ideally, utilities should recover all of their fixed costs from fixed charges and all of their variable costs from volumetric charges; when this is the case, fluctuations in water sales revenues would be directly offset by reductions or increases in variable expenses.

The District's costs were divided into categories that can be more generally grouped into fixed and variable costs. This analysis resulted in a cost distribution that is approximately 67 percent fixed and 33 percent variable⁴. Under the current rate structure, the District collects approximately 53 percent of revenue through fixed charges and 47 percent through variable.

Based on the cost of service analysis, about 67 percent of the District's costs should be collected from fixed charges and 33 percent from volumetric charges. **Figure 7** summarizes how costs are allocated to each cost component; a test year of FY 2017/18 was used. A detailed breakdown of all expenses allocated to commodity-, capacity- and customer-related cost components is provided in Appendix B.

Figure 7. Allocated Net Cost Requirements - Water

Classification Components	Net Cost Requirements (2017/18)	
Commodity-Related Costs	\$ 3,664,371	33.0%
Capacity-Related Costs	6,701,540	60.4%
Customer-Related Costs	737,660	6.6%
Net Revenue Requirement	\$ 11,103,572	100%

Commodity-related costs are distributed to each customer class based on the percentage of water consumed (previously shown in Figure 4). Capacity-related costs are distributed to each customer class based on the peaking factors (previously shown in Figure 5). Customer related costs are distributed to each customer class based on the number of customers in each customer class (previously shown in Figure 6).

Costs Allocated to Customer Classes

Customer classes are typically determined by grouping customers with similar demand characteristics into categories that reflect the cost differentials to serve each type of customer, such as single-family, multi-family, commercial, etc. This is how customer characteristics and consumption data have been organized in the tables above, and in **Figure 8** which summarizes the costs allocated to each customer class for the test year of FY 2017/18. However, the District currently uses meter sizes as customer classes.

⁴ This analysis is presented in Appendix A.

Figure 8. Allocated Net Cost of Service by Customer Class - Water

Allocation of Net Cost Requirements (Water) By Customer Class - FY 2017/18					
Customer Class	Cost Classification Components			Net Cost of Service Requirements	% of Net Cost of Service Requirements
	Commodity (1)	Capacity (2)	Customer (3)		
Residential	\$ 2,565,511	\$ 4,527,989	\$ 653,508	\$ 7,747,008	69.8%
Multi-Family Residential	578,619	981,150	50,231	1,610,000	14.5%
Commercial	41,934	108,848	19,912	170,694	1.5%
Industrial	181,291	296,647	5,203	483,141	4.4%
Landscape/Irrigation	212,316	429,523	1,301	643,140	5.8%
Other systems	33,374	108,258	700	142,333	1.3%
Private Mutual	36,779	183,019	600	220,398	2.0%
Surplus (bulk water sales)	12,412	60,024	300	72,736	0.7%
Vacant	2,136	6,082	5,904	14,122	0.1%
Total	\$ 3,664,371	\$ 6,701,540	\$ 737,660	\$ 11,103,572	100.0%

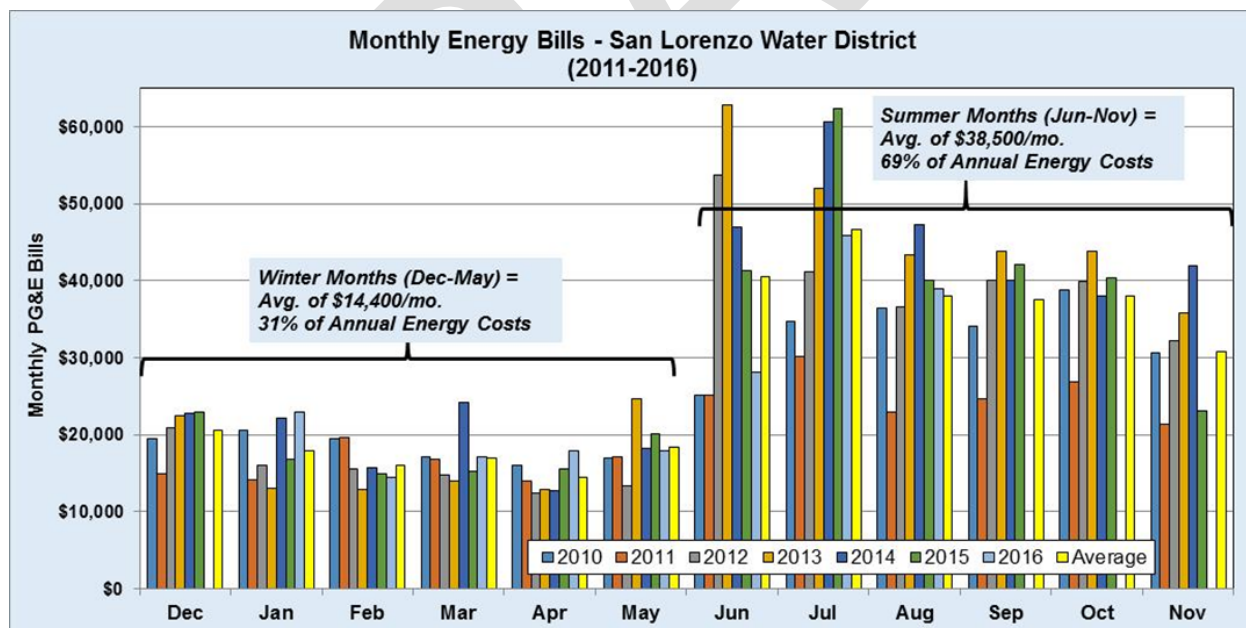
1. Commodity Costs are allocated based upon percentage of expected consumption.

2. Capacity Costs are allocated based upon Max Month Capacity Factor.

3. Customer Costs are allocated based upon Percentage of Total Accounts.

Since the District plans to conduct a rate study in the future, any modifications to the existing meter-size-only rate structure should be considered at that time. Also, as shown in **Figure 9** below, the District clearly has a seasonal component to its water delivery system (winter and summer). This Figure summarizes fluctuations in energy bills and represents pumping costs of water delivered. These and other infrastructure costs, such as wells and peaking-related storage, could be considered and included in developing seasonal rate and/or zonal surcharges. Costs related to conjunctive use might also be applied to seasonality-related rate components.

Figure 9. Energy Bills for SLVWD



SECTION 3. WASTEWATER COST OF SERVICE STUDY

KEY COST OF SERVICE STUDY ISSUES

The District maintains a small wastewater system for a small residential area. The cost of service study for the wastewater utility has the same goals as the water utility.

NBS developed a ten-year financial plan for the wastewater utility over the course of this study, relying on industry standards and cost-of-service principles. The following are the basic components included in this analysis:

- **Developing Annual Cost Requirements:** NBS developed financial plan alternatives as requested by District staff to reflect budgeted sewer operating and capital improvement costs.
- **Developing Functionalized Costs:** The wastewater revenue requirements were “functionalized” into four categories: (1) customer service costs; (2) fixed biochemical demand (BOD) treatment costs; (3) fixed total suspended solids (TSS) treatment costs; and (4) flow (or volume-based) costs.
- **Determining Customer Class Cost Requirements:** Costs for each of these functional categories were then allocated to the residential customer class based on allocation factors, such as effluent (flow), effluent strength (BOD and TSS), and number of accounts. Once the costs are allocated by customer class, the rate design would be addressed in a future rate study.

SEWER UTILITY COST OF SERVICE

It is important for municipal utilities to maintain reasonable reserves in order to handle emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. The current state of the District, with regard to these objectives, is as follows:

- **Annual Cost of Service:** For FY 2015/16 through FY 2020/21, the projected net cost requirement (that is, total annual expenses plus debt service and capital costs) range from approximately \$133,500 to \$229,000.
- **Building and Maintaining Reserve Funds:** The District plans to establish reserve funds for the sewer utility. The reserve fund recommendations for the Utility are considered unrestricted reserves and consist of the following:
 - ✓ **Operating Reserve** should equal approximately 90 days of operating expenses, or \$34,400 in FY 2016/17. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (such as volumetric charges), and – particularly in periods of economic distress – changes or trends in age of receivables.
 - ✓ **Capital Reserve** should be approximately \$100,000, which is set aside to address long-term capital system replacement and rehabilitation needs.
- **Capital Improvement Projects:** The District has a number of capital improvements that are necessary for the Utility in order to maintain current service levels. District staff has identified roughly \$64,000 in expected capital expenditures for FY 2016/17, and growing at 3 percent inflation (construction cost index) annually through FY 2020/21. summarizes the sources and uses of funds and net cost requirements for the next 5 years. As this figure shows, the District will need to address projected annual deficits in the near future.

Figure 10 summarizes the sources and uses of funds and net cost requirements for the next 5 years. As this figure shows, the District will need to address projected annual deficits in the near future.

Figure 10. Summary of Sewer Costs of Service

Cost of Service Summary	Budget	Projected				
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Costs of Sewer Service						
Operating Expenses	\$ 133,470	\$ 137,051	\$ 140,732	\$ 144,509	\$ 148,385	\$ 152,364
Debt Service	-	-	-	-	-	-
Capital Expenses	-	63,880	65,796	67,770	69,803	71,898
Total	\$ 133,470	\$ 200,931	\$ 206,528	\$ 212,279	\$ 218,189	\$ 224,262

Figure 11 summarizes the projected reserve fund balances and reserve targets. A summary of the utility's proposed 10-year financial plan is included in Appendix C. These appendix tables include cost requirements, reserve funds, revenue sources, and the District's capital improvement program.

Figure 11. Summary of Sewer Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Budget	Projected				
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Un-Restricted Reserves						
Operating Reserve						
Ending Balance	\$ (33,381)	\$ (134,224)	\$ (240,664)	\$ (352,855)	\$ (470,955)	\$ (595,129)
<i>Recommended Minimum Target</i>	<i>33,400</i>	<i>34,300</i>	<i>35,200</i>	<i>36,100</i>	<i>37,100</i>	<i>38,100</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Recommended Minimum Target</i>	<i>89,778</i>	<i>94,503</i>	<i>96,205</i>	<i>97,994</i>	<i>99,882</i>	<i>101,888</i>
Total Ending Balance (Un-Restricted Reserves)	\$ (33,381)	\$ (134,224)	\$ (240,664)	\$ (352,855)	\$ (470,955)	\$ (595,129)
Total Recommended Minimum Target	\$ 123,178	\$ 128,803	\$ 131,405	\$ 134,094	\$ 136,982	\$ 139,988

COST OF SERVICE ANALYSIS

The total cost from the residential customer class was determined using these functional costs and allocation factors:

- ✓ Volume-related costs are allocated based on the effluent flow.
- ✓ Fixed capacity costs are allocated based on effluent strength (BOD and TSS).
- ✓ Customer costs are allocated based on number of accounts, or more specifically the number of equivalent dwelling units (EDUs) connected to the system.

The District only serves residential customers as part of the sewer utility. Since this is not anticipated to change in the near future, all costs are allocated to residential customers as shown in Figure 12. Similar to the Water Cost of Service Analysis, a test year of FY 2017/18 was used. Further tables showing these calculations are included in Appendix C.

Figure 12. Allocated Cost of Service – Sewer

Allocation of FY 2017/18 Cost Requirements by Customer Class - Sewer						
Customer Class	Cost Classification Components				Net Cost-of-Service Requirements	% of Net Cost-of-Service Requirements
	Volume	Treatment		Customer Related		
		BOD	TSS			
Net Cost Requirements (1)	\$ 73,370	\$ 29,899	\$ 29,899	\$ 6,954	\$ 140,124	--
	52.4%	21.3%	21.3%	5.0%	100.0%	
SINGLE FAMILY	\$ 73,370	\$ 29,899	\$ 29,899	\$ 6,954	\$ 140,124	100.0%
TOTAL	\$ 73,370	\$ 29,899	\$ 29,899	\$ 6,954	\$ 140,124	100%

1. Cost requirement for each customer class is determined by multiplying the requirement from each cost classification by the allocation factors for each customer class.

SECTION 4. RECOMMENDATIONS AND NEXT STEPS

CONSULTANT RECOMMENDATIONS

NBS recommends District take the following actions:

- **Approve and Accept this Study:** NBS recommends the District Board formally approve and adopt this Study and its recommendations. This will provide documentation of the cost of service study analyses and the basis for analyzing potential changes to future rates.

NEXT STEPS

- **Perform a Rate Study in the Future** – Following this cost of service study, the District is poised to move forward with a water and wastewater rate study in the near future to address rate design and actual customer rates. This will ensure the District collects rates to meet revenue requirements in a fair and equitable manner that complies with Proposition 218.

NBS' PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this report and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, conditions, and events that may occur in the future. This information and these assumptions, including District's budgets, capital improvement costs, sub-consultants' findings and recommendations, and information from District staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

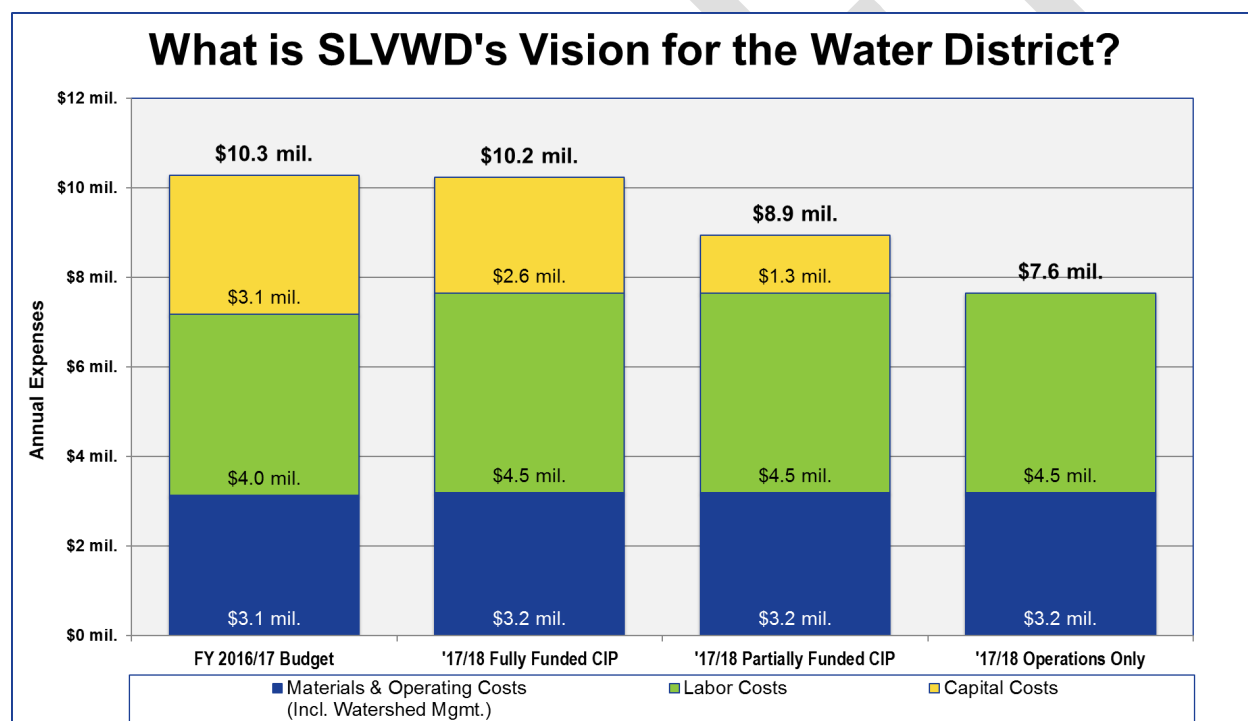
Note: The attached Technical Appendices provide more detailed information on the analysis of the water revenue requirements, cost-of-service analysis and cost allocations, and the rate design analyses that have been summarized in this report.

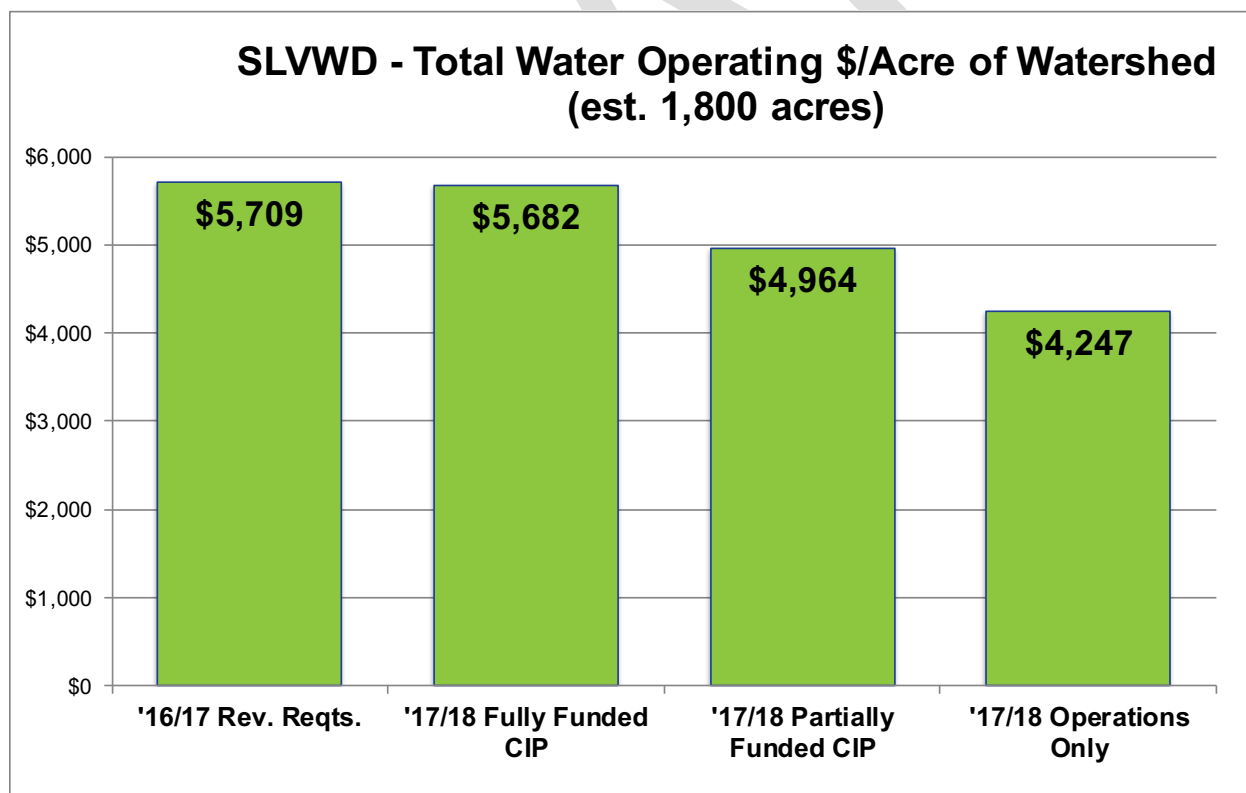
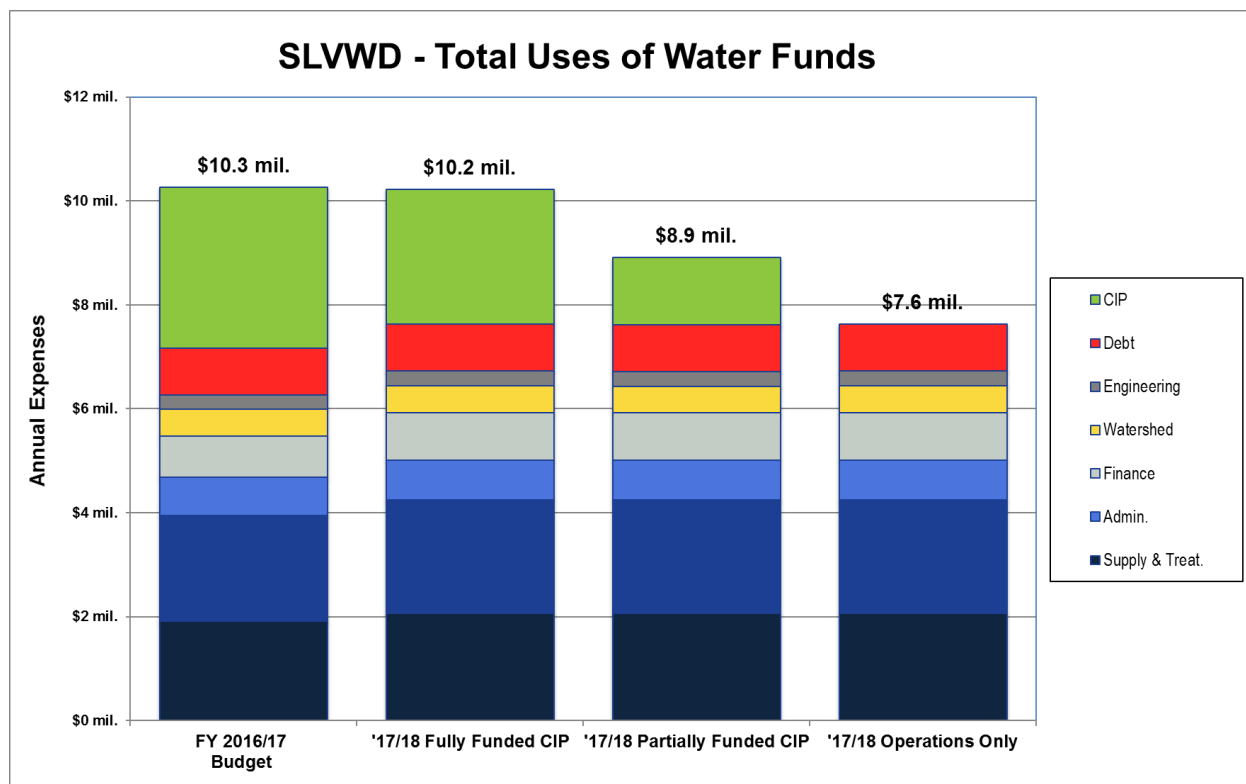
TECHNICAL APPENDICES

APPENDIX A – COST OF SERVICE FIGURES

WATER UTILITY FIGURES

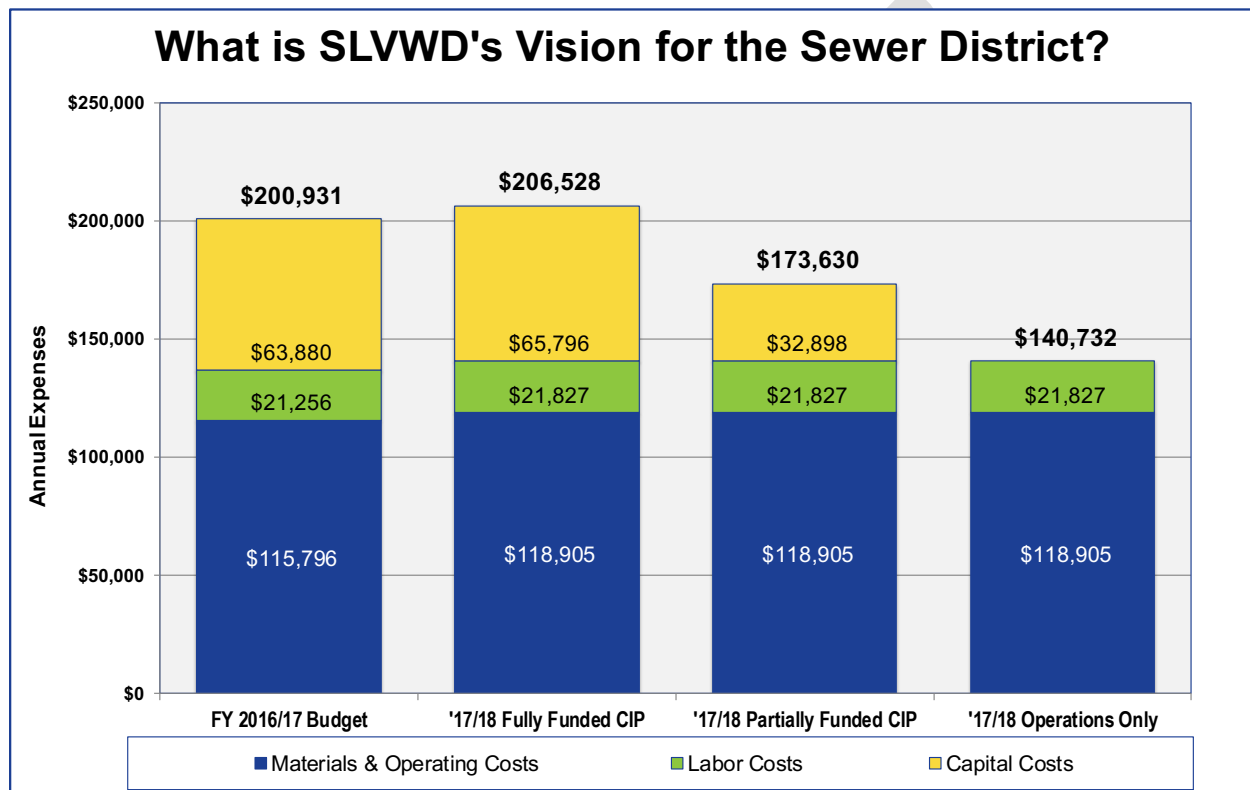
Summary of District Costs	'16/17 Rev. Reqts.	'17/18 Fully Funded CIP	'17/18 Partially Funded CIP	'17/18 Operations Only
Uses of Water Funds				
Water Fund Operating Expenses:				
Administration	739,440	759,041	759,041	759,041
Finance	792,100	913,200	913,200	913,200
Engineering	280,700	287,900	287,900	287,900
Operations/Distribution	2,029,400	2,183,600	2,183,600	2,183,600
Watershed	512,400	526,100	526,100	526,100
Operations/Supply & Treatment	1,915,000	2,065,900	2,065,900	2,065,900
Debt Service	896,508	896,508	896,508	896,508
Capital Expenses	3,100,000	2,583,059	1,291,529	-
Total Use of Funds	\$ 10,265,547	\$ 10,215,307	\$ 8,923,778	\$ 7,632,249
Add'l. Revenue Needed	0%	112%	56%	0%

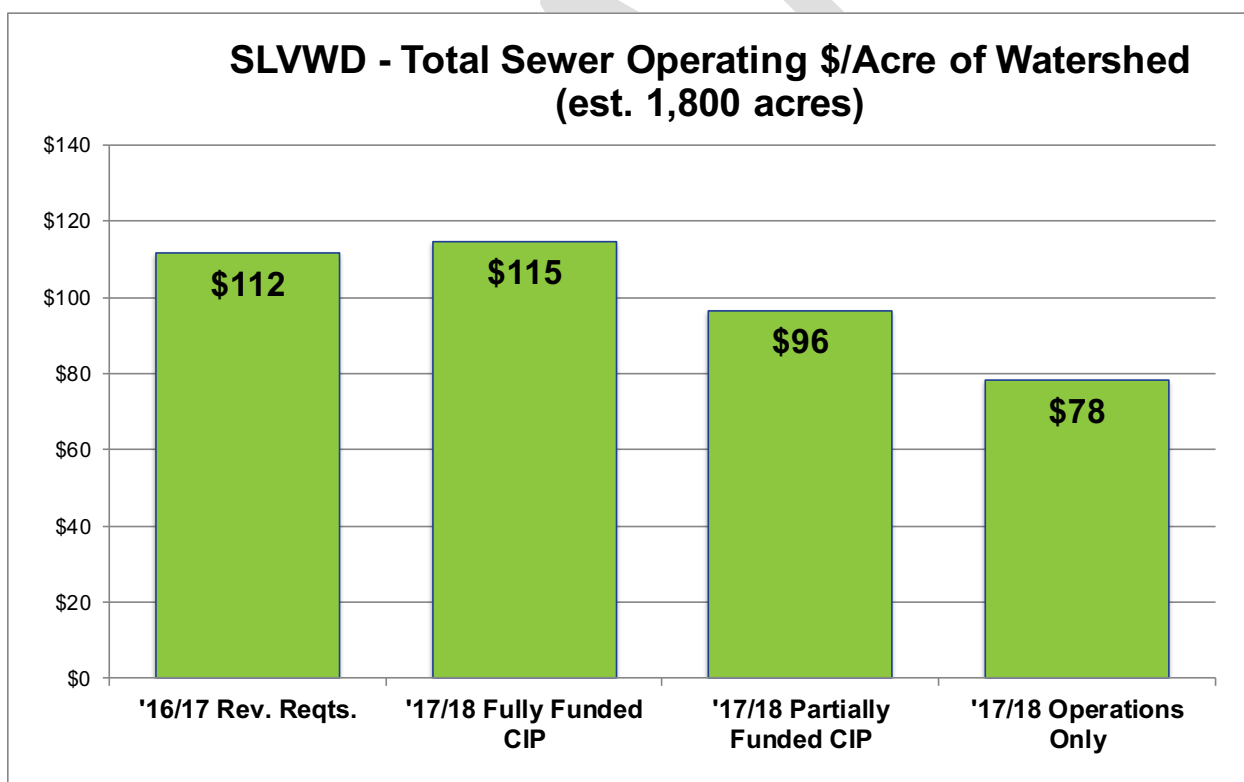
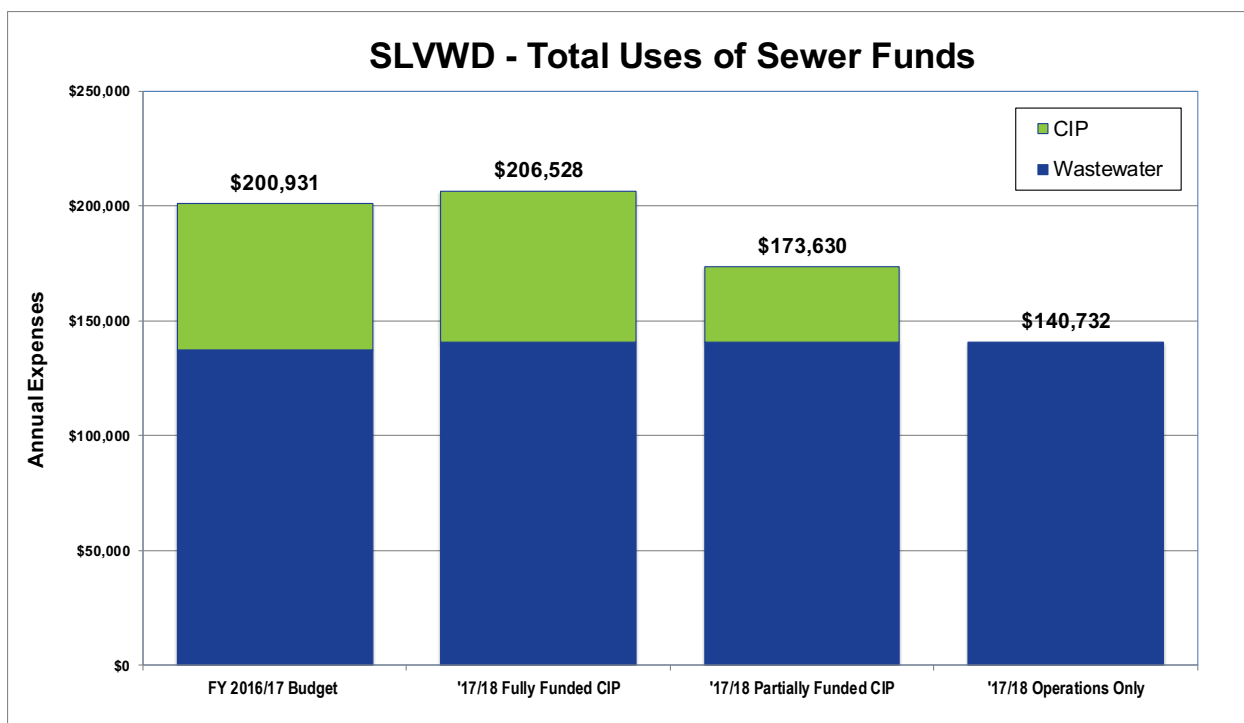




SEWER UTILITY FIGURES

Summary of District Costs	'16/17 Rev. Reqts.	'17/18 Fully Funded CIP	'17/18 Partially Funded CIP	'17/18 Operations Only
Uses of Sewer Funds				
Water Fund Operating Expenses:				
Personnel	21,256	21,827	21,827	21,827
Materials & Services	115,796	118,905	118,905	118,905
Debt Service	-	-	-	-
Capital Expenses	63,880	65,796	32,898	-
Total Use of Funds	\$ 200,931	\$ 206,528	\$ 173,630	\$ 140,732
Add'l. Revenue Needed	0%	9%	5%	0%





APPENDIX B – DETAILED WATER COST-OF-SERVICE TABLES & FIGURES

Appendix B is included under separate cover.

DRAFT

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Financial Plan and Reserve Projections

Financial Plan & Reserve Summary

TABLE 1
FINANCIAL PLAN AND SUMMARY OF WATER REVENUE REQUIREMENTS

WATER REVENUE REQUIREMENTS SUMMARY	Budget	Projected								
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Sources of Funds										
<i>Water Rate Revenue: (1)</i>										
Service & Usage Fees	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534
<i>Water Non-Rate Revenue: (2)</i>										
7501 Property Taxes	\$ 762,752	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308
7502 Rental Revenue	29,713	29,713	29,713	29,713	29,713	29,713	29,713	29,713	29,713	29,713
7503 Investment Earnings	(1,909)	-	-	-	-	-	-	-	-	-
7504 Gain/Loss on Sale of Assets	34,499	-	-	-	-	-	-	-	-	-
7505 Other Income	286,525	66,372	66,372	66,372	66,372	66,372	66,372	66,372	66,372	66,372
Interest Income	7,699	-	-	-	-	-	-	-	-	-
Grand Total: Sources of Funds	\$ 6,356,813	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926
Uses of Funds										
<i>Water Fund Operating Expenses (3):</i>										
Administration	\$ 720,331	\$ 741,902	\$ 764,262	\$ 787,114	\$ 810,557	\$ 834,591	\$ 859,413	\$ 885,121	\$ 911,322	\$ 938,607
Finance	674,045	794,400	918,300	1,146,000	1,280,400	1,318,800	1,358,400	1,399,200	1,441,100	1,484,400
Engineering	176,175	281,400	289,500	297,800	306,400	315,200	324,400	333,800	343,400	353,300
Operations/Distribution	1,878,850	2,035,300	2,196,300	2,262,100	2,329,900	2,399,600	2,471,500	2,545,800	2,622,500	2,701,200
Watershed	499,235	514,200	529,700	545,600	561,900	578,600	595,800	613,400	631,700	650,600
Operations/Supply & Treatment	1,767,650	1,920,700	2,078,200	2,140,300	2,204,100	2,269,800	2,337,700	2,407,600	2,479,900	2,554,200
Subtotal: Operating Expenditures	\$ 5,716,286	\$ 6,287,902	\$ 6,776,262	\$ 7,178,914	\$ 7,493,257	\$ 7,716,591	\$ 7,947,213	\$ 8,184,921	\$ 8,429,922	\$ 8,682,307
<i>Other Expenditures:</i>										
Existing Debt Service	\$ 896,508	\$ 896,508	\$ 896,508	\$ 896,508	\$ 795,095	\$ 693,682	\$ 291,596	\$ 186,797	\$ 186,797	\$ 186,797
New Debt Service	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses	2,397,525	3,100,000	2,583,059	2,660,550	2,740,367	2,822,578	2,907,255	2,994,473	3,084,307	3,176,836
Subtotal: Other Expenditures	\$ 3,294,033	\$ 3,996,508	\$ 3,479,566	\$ 3,557,058	\$ 3,535,462	\$ 3,516,260	\$ 3,198,851	\$ 3,181,270	\$ 3,271,104	\$ 3,363,634
Grand Total: Uses of Funds	\$ 9,010,318	\$ 10,284,410	\$ 10,255,828	\$ 10,735,972	\$ 11,028,718	\$ 11,232,850	\$ 11,146,064	\$ 11,366,191	\$ 11,701,026	\$ 12,045,940
Annual Surplus/(Deficit)	\$ (2,653,505)	\$ (4,423,483)	\$ (4,394,902)	\$ (4,875,045)	\$ (5,167,792)	\$ (5,371,924)	\$ (5,285,138)	\$ (5,505,265)	\$ (5,840,100)	\$ (6,185,014)
Water Net Revenue Req. (Total Uses less Non-Rate	\$ 7,898,738	\$ 9,661,017	\$ 9,632,435	\$ 10,112,579	\$ 10,405,326	\$ 10,609,458	\$ 10,522,671	\$ 10,742,799	\$ 11,077,634	\$ 11,422,548

1. Revenues are from the Final Trial Balance on June 30, 2015 from source file: SLVWD 2015 Working TB.xls and are actual revenues from FY 14/15.

2. OLY Assessment (Property Tax) Revenue expected to cease after FY 2015/16.

3. Expenses are from the FY 2015/16 Budget and from source file: FY1516 BUDGET FINAL.pdf. All projected expenses are rounded to the nearest \$100.

4. Calculated as the Total Rate Revenue after Rate Increases less Total Uses of Funds and Non-Rate Revenues.

5. Revenue from rate increases assumes an implementation date of July 1, 2017 for new rates.

For each year thereafter, the assumption is that new rates will be implemented on July 1st of each year.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Financial Plan and Reserve Projections

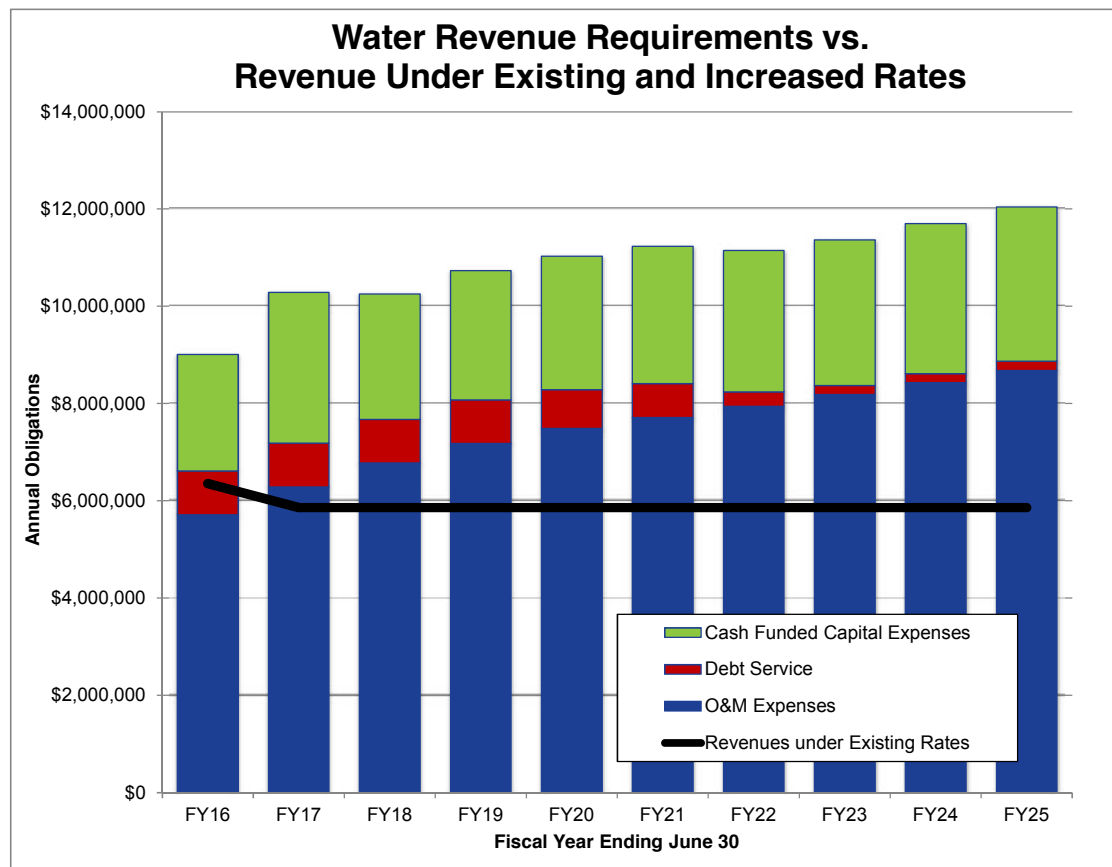
Financial Plan & Reserve Summary

TABLE 2
RESERVE FUND SUMMARY

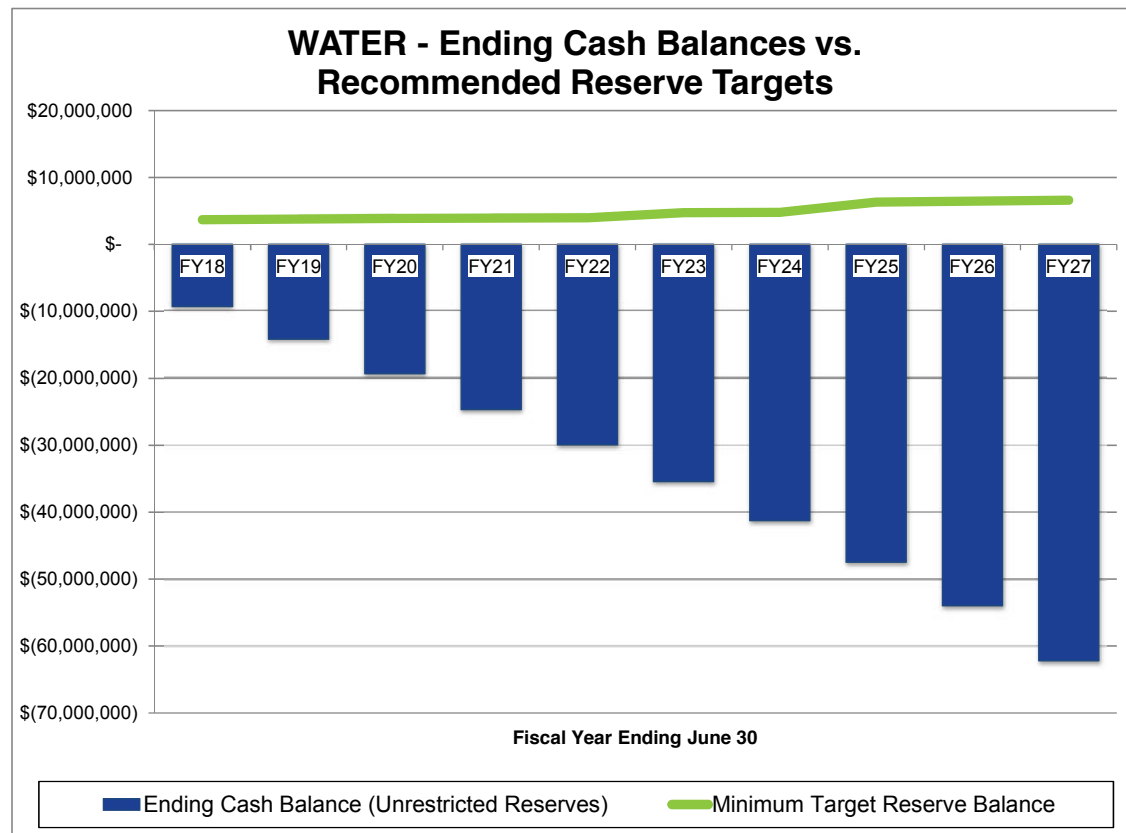
SUMMARY OF CASH ACTIVITY UN-RESTRICTED RESERVES - WATER	Budget	Projected								
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Total Beginning Cash (1)	\$ 2,595,259									
Operational Reserve Fund										
Beginning Reserve Balance (2)	\$ 2,218,677	\$ (430,534)	\$ (4,852,721)	\$ (9,245,755)	\$ (14,117,998)	\$ (19,282,054)	\$ (24,649,309)	\$ (29,928,842)	\$ (35,427,569)	\$ (41,260,198)
Plus: Net Cash Flow (After Rate Increases)	(2,653,505)	(4,423,483)	(4,394,902)	(4,875,045)	(5,167,792)	(5,371,924)	(5,285,138)	(5,505,265)	(5,840,100)	(6,185,014)
Plus: Transfer in from Debt Reserve Surpluses	4,294	1,296	1,868	2,802	3,736	4,670	5,604	6,538	7,472	7,472
Plus: Transfer in from Capital Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Less: Transfer out to Capital Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Ending Operating Reserve Balance	\$ (430,534)	\$ (4,852,721)	\$ (9,245,755)	\$ (14,117,998)	\$ (19,282,054)	\$ (24,649,309)	\$ (29,928,842)	\$ (35,427,569)	\$ (41,260,198)	\$ (47,437,740)
Target Ending Balance (\$1.5M, then graduating to 6 m	\$ 1,500,000	\$ 1,500,000	\$ 1,694,000	\$ 1,795,000	\$ 1,873,000	\$ 1,929,000	\$ 1,987,000	\$ 2,728,000	\$ 2,810,000	\$ 4,341,000
Capital Reserve Fund										
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Grant Proceeds	1,270,475	-	-	-	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	(1,270,475)	-	-	-	-	-	-	-	-	-
Less: Use of Reserves for Operating Reserve	-	-	-	-	-	-	-	-	-	-
Ending Capital Replacement Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Reserve (\$2M or 3% of Net Asse	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Ending Balance - Excl. Restricted Reserves	\$ (430,534)	\$ (4,852,721)	\$ (9,245,755)	\$ (14,117,998)	\$ (19,282,054)	\$ (24,649,309)	\$ (29,928,842)	\$ (35,427,569)	\$ (41,260,198)	\$ (47,437,740)
Min. Target Ending Balance - Excl. Restricted Reserves	\$ 3,500,000	\$ 3,500,000	\$ 3,694,000	\$ 3,795,000	\$ 3,873,000	\$ 3,929,000	\$ 3,987,000	\$ 4,728,000	\$ 4,810,000	\$ 6,341,000
Ending Surplus/(Deficit) Compared to Reserve Tar	\$ (3,930,534)	\$ (8,352,721)	\$ (12,939,755)	\$ (17,912,998)	\$ (23,155,054)	\$ (28,578,309)	\$ (33,915,842)	\$ (40,155,569)	\$ (46,070,198)	\$ (53,778,740)
Restricted Reserves:										
Debt Service Reserve Fund										
Beginning Reserve Balance (3)	\$ 376,582	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594
Plus: Reserve Funding from New Debt Obligations	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	1,307	1,296	1,868	2,802	3,736	4,670	5,604	6,538	7,472	7,472
Less: Transfer of Surplus to Operating Reserve	(4,294)	(1,296)	(1,868)	(2,802)	(3,736)	(4,670)	(5,604)	(6,538)	(7,472)	(7,472)
Ending Debt Reserve Balance	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594
Target Ending Balance	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594
Bond Project Fund										
Beginning Reserve Balance (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: SRF Loan Funding Proceeds	-	-	-	-	-	-	-	-	-	-
Plus: Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Less: Use of Bond & Loan Funds for Capital Projects	-	-	-	-	-	-	-	-	-	-
Ending Bond Project Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Target Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Interest Earnings Rate (4)	0.35%	0.35%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.00%

1. The beginning Cash balance is from June 2016 Liquid Assets report.
2. Operating Reserve is comprised of Cash and SC County Fund for SLV.
3. Debt Reserve Fund is comprised of the Liberty Savings, Morgan Stanley accounts, SC County Fund - Lompico, and LAIF funds.
4. Historical interest earning rates were referenced on the CA Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2024 and phase into the historical 10 year average interest earnings rate.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Rate Adjustment Charts and Report Tables



SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Rate Adjustment Charts and Report Tables



SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1**WATER REVENUE FORECAST:**

DESCRIPTION (1)	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
WATER FUND REVENUES:											
7101 Water Sales											
WATER SERVICE FEES	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WATER USAGE FEES	1	-	-	-	-	-	-	-	-	-	-
BASIC SERVICE FEES	1	2,780,938	2,780,938	2,780,938	2,780,938	2,780,938	2,780,938	2,780,938	2,780,938	2,780,938	2,780,938
WATER USAGE FEES	1	2,456,596	2,456,596	2,456,596	2,456,596	2,456,596	2,456,596	2,456,596	2,456,596	2,456,596	2,456,596
Subtotal		\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534
7501 Property Taxes											
PROPERTY TAXES	1	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308
OLY ASSESSMENT REVENUE	1	235,444	-	-	-	-	-	-	-	-	-
Subtotal		\$ 762,752	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308
7502 Rental Revenue											
MOBILE SERVICES LEASE FEES	1	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713	\$ 15,713
JOHNSON PROPERTY RENTS	1	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Subtotal		\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713	\$ 29,713
7503 Investment Earnings											
LOMPICO LOAN - INTEREST	1	\$ 1,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST - WATER	1	2,284	-	-	-	-	-	-	-	-	-
INTEREST - FELTON LOAN RESERVE	1	-	-	-	-	-	-	-	-	-	-
REALIZED G/L - MSDW	1	(119,479)	-	-	-	-	-	-	-	-	-
UNREALIZED GAINS/LOSS - MSDW	1	77,997	-	-	-	-	-	-	-	-	-
INTEREST DIVIDEND - MSDW	1	36,068	-	-	-	-	-	-	-	-	-
Subtotal		\$ (1,909)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7504 Gain/Loss on Sale of Assets											
SALE OF SURPLUS PROPERTY	1	\$ 34,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LOSS ON SALE/ABAND FIXED ASSET	1	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 34,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7505 Other Income											
ACCT. ESTAB. CHARGES & PENALTY	1	\$ 99,066	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
ASSESSMENT BOND - N.B.C.	1	-	-	-	-	-	-	-	-	-	-
SALE OF METERS	1	25,830	-	-	-	-	-	-	-	-	-
MISCELLANEOUS	1	9,803	9,803	9,803	9,803	9,803	9,803	9,803	9,803	9,803	9,803
REIMB. FOR MANANA WOODS	1	145,257	-	-	-	-	-	-	-	-	-
LOMPICO LOAN - PRINCIPAL	1	-	-	-	-	-	-	-	-	-	-
CSI - #34053 MANANA WOODS	1	237	237	237	237	237	237	237	237	237	237
CSI - # 34057 LYON WTP	1	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148
CSI - #34058 KIRBY WTP	1	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184
Subtotal		\$ 286,525	\$ 66,372	\$ 66,372	\$ 66,372	\$ 66,372	\$ 66,372	\$ 66,372	\$ 66,372	\$ 66,372	\$ 66,372
GRAND TOTAL: REVENUE		\$ 6,349,114	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926

WATER REVENUE SUMMARY:

WATER REVENUES:											
RATE REVENUE:											
7101 Water Sales		\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534	\$ 5,237,534
OTHER REVENUE:											
7501 Property Taxes		\$ 762,752	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308	\$ 527,308
7502 Rental Revenue		29,713	29,713	29,713	29,713	29,713	29,713	29,713	29,713	29,713	29,713
7503 Investment Earnings		(1,909)	-	-	-	-	-	-	-	-	-
7504 Gain/Loss on Sale of Assets		34,499	-	-	-	-	-	-	-	-	-
7505 Other Income		286,525	66,372	66,372	66,372	66,372	66,372	66,372	66,372	66,372	66,372
GRAND TOTAL: REVENUE		\$ 6,349,114	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926	\$ 5,860,926
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1**WATER FUND OPERATING EXPENSE FORECAST (2):**

DEPARTMENT: ADMINISTRATION - 01	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	3	\$ 223,000	\$ 229,700	\$ 236,600	\$ 243,700	\$ 251,000	\$ 258,500	\$ 266,300	\$ 274,300	\$ 282,500	\$ 291,000
DIRECTORS FEES	3	23,000	23,700	24,400	25,100	25,900	26,700	27,500	28,300	29,100	30,000
Subtotal		\$ 246,000	\$ 253,400	\$ 261,000	\$ 268,800	\$ 276,900	\$ 285,200	\$ 293,800	\$ 302,600	\$ 311,600	\$ 321,000
Benefits											
MEDICAL INSURANCE	3	\$ 40,500	\$ 41,700	\$ 43,000	\$ 44,300	\$ 45,600	\$ 47,000	\$ 48,400	\$ 49,900	\$ 51,400	\$ 52,900
DENTAL INSURANCE	3	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800
VISION INSURANCE	3	450	500	500	500	500	500	500	500	500	500
LIFE INSURANCE	3	400	400	400	400	400	400	400	400	400	400
LONG TERM DISABILITY	3	1,150	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
PERS - RETIREMENT	3	24,700	25,400	26,200	27,000	27,800	28,600	29,500	30,400	31,300	32,200
FICA - SOCIAL SECURITY	3	11,000	11,300	11,600	11,900	12,300	12,700	13,100	13,500	13,900	14,300
WORKERS COMPENSATION	3	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
ASSISTANCE PROGRAM	3	100	100	100	100	100	100	100	100	100	100
OTHER PAYROLL CHARGES	3	2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900
MEDICARE RETIRED MEDICAL	3	3,250	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,100
RETIRED MEDICAL	3	13,000	13,400	13,800	14,200	14,600	15,000	15,500	16,000	16,500	17,000
ANNUAL OPEB	3	35,000	36,100	37,200	38,300	39,400	40,600	41,800	43,100	44,400	45,700
Subtotal		\$ 135,550	\$ 139,600	\$ 143,800	\$ 148,000	\$ 152,300	\$ 156,800	\$ 161,500	\$ 166,400	\$ 171,300	\$ 176,200
TOTAL: PERSONNEL		\$ 381,550	\$ 393,000	\$ 404,800	\$ 416,800	\$ 429,200	\$ 442,000	\$ 455,300	\$ 469,000	\$ 482,900	\$ 497,200
MATERIALS & SERVICES											
CONTRACT/PROFESSIONAL SERVICES	2	\$ 112,550	\$ 115,900	\$ 119,400	\$ 123,000	\$ 126,700	\$ 130,500	\$ 134,400	\$ 138,400	\$ 142,600	\$ 146,900
LEGAL SERVICES	2	60,000	61,800	63,700	65,600	67,600	69,600	71,700	73,900	76,100	78,400
UTILITIES DISTRICT OFFICE	2	12,000	12,400	12,800	13,200	13,600	14,000	14,400	14,800	15,200	15,700
AUTO ALLOWANCE	2	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,200
RENTALS/LEASES/PERMITS	2	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
FACILITIES MAINTENANCE	2	12,000	12,400	12,800	13,200	13,600	14,000	14,400	14,800	15,200	15,700
TELEPHONE/COMMUNICATIONS	2	18,000	18,500	19,100	19,700	20,300	20,900	21,500	22,100	22,800	23,500
OFFICE SUPPLIES (includes 5078)	2	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000
POSTAGE	2	500	500	500	500	500	500	500	500	500	500
SUBSCRIPTIONS/BOOKS	2	500	500	500	500	500	500	500	500	500	500
ADVERTISING	2	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900
TRAINING, CONFERENCES & MEETINGS	2	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800
MEMBERSHIPS & DUES (includes 5085)	2	33,000	34,000	35,000	36,100	37,200	38,300	39,400	40,600	41,800	43,100
INSURANCE - PROPERTY (SDRMA)	2	77,000	79,300	81,700	84,200	86,700	89,300	92,000	94,800	97,600	100,500
LEGAL SETTLEMENTS	2	-	-	-	-	-	-	-	-	-	-
ELECTION FEES	2	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 349,750	\$ 360,200	\$ 371,100	\$ 382,300	\$ 393,700	\$ 405,300	\$ 417,200	\$ 429,600	\$ 442,300	\$ 455,700
TOTAL: MATERIALS & SERVICES		\$ 349,750	\$ 360,200	\$ 371,100	\$ 382,300	\$ 393,700	\$ 405,300	\$ 417,200	\$ 429,600	\$ 442,300	\$ 455,700
ADMINISTRATION OVERHEAD ALLOCATION TO SEWER (1.5%) (3)		(10,970)	(11,298)	(11,639)	(11,987)	(12,344)	(12,710)	(13,088)	(13,479)	(13,878)	(14,294)
TOTAL: ADMINISTRATION		\$ 720,331	\$ 741,902	\$ 764,262	\$ 787,114	\$ 810,557	\$ 834,591	\$ 859,413	\$ 885,121	\$ 911,322	\$ 938,607

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1**WATER FUND OPERATING EXPENSE FORECAST (2):**

DEPARTMENT: FINANCE - 02	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	3	\$ 365,000	\$ 376,000	\$ 387,300	\$ 398,900	\$ 410,900	\$ 423,200	\$ 435,900	\$ 449,000	\$ 462,500	\$ 476,400
TEMPORARY SALARIES	3	-	-	-	-	-	-	-	-	-	-
OVERTIME WAGES	3	500	500	500	500	500	500	500	500	500	500
Subtotal		\$ 365,500	\$ 376,500	\$ 387,800	\$ 399,400	\$ 411,400	\$ 423,700	\$ 436,400	\$ 449,500	\$ 463,000	\$ 476,900
Benefits											
MEDICAL INSURANCE	3	\$ 55,700	\$ 57,400	\$ 59,100	\$ 60,900	\$ 62,700	\$ 64,600	\$ 66,500	\$ 68,500	\$ 70,600	\$ 72,700
DENTAL INSURANCE	3	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200
VISION INSURANCE	3	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
LIFE INSURANCE	3	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
LONG TERM DISABILITY	3	1,850	1,900	2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700
PERS - RETIREMENT	3	36,500	37,600	38,700	39,900	41,100	42,300	43,600	44,900	46,200	47,600
FICA - SOCIAL SECURITY	3	22,650	23,300	24,000	24,700	25,400	26,200	27,000	27,800	28,600	29,500
WORKERS COMPENSATION	3	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500	2,600
ASSISTANCE PROGRAM	3	225	200	200	200	200	200	200	200	200	200
MEDICARE RETIRED MEDICAL	3	5,300	5,500	5,700	5,900	6,100	6,300	6,500	6,700	6,900	7,100
Subtotal		\$ 132,325	\$ 136,300	\$ 140,400	\$ 144,700	\$ 149,000	\$ 153,500	\$ 158,100	\$ 162,800	\$ 167,600	\$ 172,600
Additional Positions (4)											
Fully Loaded Cost of New Position #1	3	\$ -	\$ 100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600	\$ 116,000	\$ 119,500	\$ 123,100	\$ 126,800
Fully Loaded Cost of New Position #2	3	-	-	100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600	\$ 116,000	\$ 119,500	\$ 123,100
Fully Loaded Cost of New Position #3	3	-	-	-	100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600	\$ 116,000	\$ 119,500
Fully Loaded Cost of New Position #4	3	-	-	-	100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600	\$ 116,000	\$ 119,500
Fully Loaded Cost of New Position #5	3	-	-	-	-	100,000	103,000	106,100	109,300	112,600	116,000
Subtotal		\$ -	\$ 100,000	\$ 203,000	\$ 409,100	\$ 521,400	\$ 537,100	\$ 553,300	\$ 570,000	\$ 587,200	\$ 604,900
TOTAL: PERSONNEL		\$ 497,825	\$ 612,800	\$ 731,200	\$ 953,200	\$ 1,081,800	\$ 1,114,300	\$ 1,147,800	\$ 1,182,300	\$ 1,217,800	\$ 1,254,400
MATERIALS & SERVICES											
CONTRACT/PROFESSIONAL SERVICES	2	\$ 60,220	\$ 62,000	\$ 63,900	\$ 65,800	\$ 67,800	\$ 69,800	\$ 71,900	\$ 74,100	\$ 76,300	\$ 78,600
AUDIT SERVICES	2	25,000	25,800	26,600	27,400	28,200	29,000	29,900	30,800	31,700	32,700
OFFICE SUPPLIES (includes 5078)	2	12,000	12,400	12,800	13,200	13,600	14,000	14,400	14,800	15,200	15,700
POSTAGE	2	40,000	41,200	42,400	43,700	45,000	46,400	47,800	49,200	50,700	52,200
TRAINING, CONFERENCES & MEETINGS	2	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
COLLECTION COSTS/BANK FEES	2	30,000	30,900	31,800	32,800	33,800	34,800	35,800	36,900	38,000	39,100
BAD DEBTS	2	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800
Subtotal		\$ 176,220	\$ 181,600	\$ 187,100	\$ 192,800	\$ 198,600	\$ 204,500	\$ 210,600	\$ 216,900	\$ 223,300	\$ 230,000
TOTAL: MATERIALS & SERVICES		\$ 176,220	\$ 181,600	\$ 187,100	\$ 192,800	\$ 198,600	\$ 204,500	\$ 210,600	\$ 216,900	\$ 223,300	\$ 230,000
TOTAL: FINANCE		\$ 674,045	\$ 794,400	\$ 918,300	\$ 1,146,000	\$ 1,280,400	\$ 1,318,800	\$ 1,358,400	\$ 1,399,200	\$ 1,441,100	\$ 1,484,400

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1

WATER FUND OPERATING EXPENSE FORECAST (2):

DEPARTMENT: ENGINEERING - 03	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	2	\$ 103,550	\$ 106,700	\$ 109,900	\$ 113,200	\$ 116,600	\$ 120,100	\$ 123,700	\$ 127,400	\$ 131,200	\$ 135,100
OVERTIME WAGES	2	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 103,550	\$ 106,700	\$ 109,900	\$ 113,200	\$ 116,600	\$ 120,100	\$ 123,700	\$ 127,400	\$ 131,200	\$ 135,100
Benefits											
MEDICAL INSURANCE	2	\$ 16,000	\$ 16,500	\$ 17,000	\$ 17,500	\$ 18,000	\$ 18,500	\$ 19,100	\$ 19,700	\$ 20,300	\$ 20,900
DENTAL INSURANCE	2	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
VISION INSURANCE	2	200	200	200	200	200	200	200	200	200	200
LIFE INSURANCE	2	200	200	200	200	200	200	200	200	200	200
LONG TERM DISABILITY	2	525	500	500	500	500	500	500	500	500	500
PERS - RETIREMENT	2	13,200	13,600	14,000	14,400	14,800	15,200	15,700	16,200	16,700	17,200
FICA - SOCIAL SECURITY	2	6,450	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200
WORKERS COMPENSATION	2	500	500	500	500	500	500	500	500	500	500
ASSISTANCE PROGRAM	2	50	100	100	100	100	100	100	100	100	100
MEDICARE RETIRED MEDICAL	2	1,525	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
SPECIAL CLOTHING	2	675	700	700	700	700	700	700	700	700	700
ANNUAL OPEB	2	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 40,625	\$ 41,800	\$ 42,900	\$ 44,000	\$ 45,100	\$ 46,200	\$ 47,500	\$ 48,800	\$ 50,100	\$ 51,400
Additional Positions (4)											
Fully Loaded Cost of New Position #6	3	-	100,000	103,000	106,100	109,300	112,600	116,000	119,500	123,100	126,800
Subtotal		\$ -	\$ 100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600	\$ 116,000	\$ 119,500	\$ 123,100	\$ 126,800
TOTAL: PERSONNEL		\$ 144,175	\$ 248,500	\$ 255,800	\$ 263,300	\$ 271,000	\$ 278,900	\$ 287,200	\$ 295,700	\$ 304,400	\$ 313,300
MATERIALS & SERVICES											
CONTRACT/PROFESSIONAL SERVICES	2	\$ 20,000	\$ 20,600	\$ 21,200	\$ 21,800	\$ 22,500	\$ 23,200	\$ 23,900	\$ 24,600	\$ 25,300	\$ 26,100
EQUIPMENT REPLACEMENT FUND	2	-	-	-	-	-	-	-	-	-	-
MAINT/OPERATIONS OF VEHICLES	2	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SMALL TOOLS/MAINT & REPAIRS	2	100	100	100	100	100	100	100	100	100	100
EQUIP. NON-CAP	2	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
COMMUNICATIONS	2	750	800	800	800	800	800	800	800	800	800
OFFICE SUPPLIES	2	750	800	800	800	800	800	800	800	800	800
SUBSCRIPTIONS/BOOKS	2	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
TRAINING, CONFERENCES & MEETINGS	2	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
MEMBERSHIPS & DUES	2	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800
Subtotal		\$ 32,000	\$ 32,900	\$ 33,700	\$ 34,500	\$ 35,400	\$ 36,300	\$ 37,200	\$ 38,100	\$ 39,000	\$ 40,000
TOTAL: MATERIALS & SERVICES		\$ 32,000	\$ 32,900	\$ 33,700	\$ 34,500	\$ 35,400	\$ 36,300	\$ 37,200	\$ 38,100	\$ 39,000	\$ 40,000
TOTAL: ENGINEERING		\$ 176,175	\$ 281,400	\$ 289,500	\$ 297,800	\$ 306,400	\$ 315,200	\$ 324,400	\$ 333,800	\$ 343,400	\$ 353,300

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1

WATER FUND OPERATING EXPENSE FORECAST (2):

DEPARTMENT: OPERATIONS/DISTRIBUTION - 04	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	3	\$ 871,100	\$ 897,200	\$ 924,100	\$ 951,800	\$ 980,400	\$ 1,009,800	\$ 1,040,100	\$ 1,071,300	\$ 1,103,400	\$ 1,136,500
TEMPORARY SALARIES	3	-	-	-	-	-	-	-	-	-	-
OVERTIME WAGES	3	40,000	41,200	42,400	43,700	45,000	46,400	47,800	49,200	50,700	52,200
STANDBY WAGES	3	27,000	27,800	28,600	29,500	30,400	31,300	32,200	33,200	34,200	35,200
Subtotal		\$ 938,100	\$ 966,200	\$ 995,100	\$ 1,025,000	\$ 1,055,800	\$ 1,087,500	\$ 1,120,100	\$ 1,153,700	\$ 1,188,300	\$ 1,223,900
Benefits											
MEDICAL INSURANCE	3	\$ 183,000	\$ 188,500	\$ 194,200	\$ 200,000	\$ 206,000	\$ 212,200	\$ 218,600	\$ 225,200	\$ 232,000	\$ 239,000
DENTAL INSURANCE	3	19,200	19,800	20,400	21,000	21,600	22,200	22,900	23,600	24,300	25,000
VISION INSURANCE	3	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700
LIFE INSURANCE	3	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100
LONG TERM DISABILITY	3	4,500	4,600	4,700	4,800	4,900	5,000	5,200	5,400	5,600	5,800
PERS - RETIREMENT	3	103,500	106,600	109,800	113,100	116,500	120,000	123,600	127,300	131,100	135,000
FICA - SOCIAL SECURITY	3	57,500	59,200	61,000	62,800	64,700	66,600	68,600	70,700	72,800	75,000
WORKERS COMPENSATION	3	40,000	41,200	42,400	43,700	45,000	46,400	47,800	49,200	50,700	52,200
ASSISTANCE PROGRAM	3	500	500	500	500	500	500	500	500	500	500
MEDICARE RETIRED MEDICAL	3	13,600	14,000	14,400	14,800	15,200	15,700	16,200	16,700	17,200	17,700
SPECIAL CLOTHING	3	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,700	9,000	9,300
CERTIFICATIONS	3	750	800	800	800	800	800	800	800	800	800
Subtotal		\$ 434,750	\$ 447,800	\$ 461,200	\$ 474,900	\$ 489,000	\$ 503,600	\$ 518,800	\$ 534,500	\$ 550,600	\$ 567,100
Additional Positions (4)											
Fully Loaded Cost of New Position #7	3	-	100,000	103,000	106,100	109,300	112,600	116,000	119,500	123,100	126,800
Fully Loaded Cost of New Position #8	3	-	-	100,000	103,000	106,100	109,300	112,600	116,000	119,500	123,100
Subtotal		\$ -	\$ 100,000	\$ 203,000	\$ 209,100	\$ 215,400	\$ 221,900	\$ 228,600	\$ 235,500	\$ 242,600	\$ 249,900
TOTAL: PERSONNEL		\$ 1,372,850	\$ 1,514,000	\$ 1,659,300	\$ 1,709,000	\$ 1,760,200	\$ 1,813,000	\$ 1,867,500	\$ 1,923,700	\$ 1,981,500	\$ 2,040,900
MATERIALS & SERVICES											
CONTRACT/PROFESSIONAL SERVICES	2	\$ 70,000	\$ 72,100	\$ 74,300	\$ 76,500	\$ 78,800	\$ 81,200	\$ 83,600	\$ 86,100	\$ 88,700	\$ 91,400
EQUIPMENT REPLACEMENT FUND	2	-	-	-	-	-	-	-	-	-	-
UTILITIES	2	110,000	113,300	116,700	120,200	123,800	127,500	131,300	135,200	139,300	143,500
OPERATING SUPPLIES	2	90,000	92,700	95,500	98,400	101,400	104,400	107,500	110,700	114,000	117,400
MAINT & OPERATIONS OF VEHICLES	2	75,000	77,300	79,600	82,000	84,500	87,000	89,600	92,300	95,100	98,000
RENTAL/LEASES/PERMITS	2	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000
SMALL TOOLS-MAINT & REPAIRS	2	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000
EQUIPMENT NON-CAP	2	7,500	7,700	7,900	8,100	8,300	8,500	8,800	9,100	9,400	9,700
FACILITIES MAINTENANCE	2	15,000	15,500	16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700
COMMUNICATIONS & TELEMETERING	2	56,000	57,700	59,400	61,200	63,000	64,900	66,800	68,800	70,900	73,000
OFFICE SUPPLIES (included 5078)	2	6,500	6,700	6,900	7,100	7,300	7,500	7,700	7,900	8,100	8,300
SUBSCRIPTIONS/BOOKS	2	-	-	-	-	-	-	-	-	-	-
TRAINING, CONFERENCES & MEETINGS	2	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800
SPECIAL PROJECTS	2	51,000	52,500	54,100	55,700	57,400	59,100	60,900	62,700	64,600	66,500
Subtotal		\$ 506,000	\$ 521,300	\$ 537,000	\$ 553,100	\$ 569,700	\$ 586,600	\$ 604,000	\$ 622,100	\$ 641,000	\$ 660,300
TOTAL: MATERIALS & SERVICES		\$ 506,000	\$ 521,300	\$ 537,000	\$ 553,100	\$ 569,700	\$ 586,600	\$ 604,000	\$ 622,100	\$ 641,000	\$ 660,300
TOTAL: OPERATIONS/DISTRIBUTION		\$ 1,878,850	\$ 2,035,300	\$ 2,196,300	\$ 2,262,100	\$ 2,329,900	\$ 2,399,600	\$ 2,471,500	\$ 2,545,800	\$ 2,622,500	\$ 2,701,200

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1**WATER FUND OPERATING EXPENSE FORECAST (2):**

DEPARTMENT: WATERSHED - 05	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	3	\$ 89,500	\$ 92,200	\$ 95,000	\$ 97,900	\$ 100,800	\$ 103,800	\$ 106,900	\$ 110,100	\$ 113,400	\$ 116,800
TEMPORARY SALARIES	3	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 89,500	\$ 92,200	\$ 95,000	\$ 97,900	\$ 100,800	\$ 103,800	\$ 106,900	\$ 110,100	\$ 113,400	\$ 116,800
Benefits											
MEDICAL INSURANCE	3	\$ 20,100	\$ 20,700	\$ 21,300	\$ 21,900	\$ 22,600	\$ 23,300	\$ 24,000	\$ 24,700	\$ 25,400	\$ 26,200
DENTAL INSURANCE	3	2,150	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000
VISION INSURANCE	3	325	300	300	300	300	300	300	300	300	300
LIFE INSURANCE	3	60	100	100	100	100	100	100	100	100	100
LONG TERM DISABILITY	3	500	500	500	500	500	500	500	500	500	500
PERS - RETIREMENT	3	11,400	11,700	12,100	12,500	12,900	13,300	13,700	14,100	14,500	14,900
FICA - SOCIAL SECURITY	3	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400
WORKERS COMPENSATION	3	425	400	400	400	400	400	400	400	400	400
ASSISTANCE PROGRAM	3	25	-	-	-	-	-	-	-	-	-
MEDICARE	3	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
SPECIAL CLOTHING	3	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 41,885	\$ 43,000	\$ 44,300	\$ 45,600	\$ 47,000	\$ 48,400	\$ 49,800	\$ 51,200	\$ 52,600	\$ 54,100
TOTAL: PERSONNEL		\$ 131,385	\$ 135,200	\$ 139,300	\$ 143,500	\$ 147,800	\$ 152,200	\$ 156,700	\$ 161,300	\$ 166,000	\$ 170,900
MATERIALS & SERVICES											
CONTRACT/PROFESSIONAL SERVICES	2	\$ 80,000	\$ 82,400	\$ 84,900	\$ 87,400	\$ 90,000	\$ 92,700	\$ 95,500	\$ 98,400	\$ 101,400	\$ 104,400
ROAD MAINTENANCE	2	15,000	15,500	16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700
OPERATING SUPPLIES	2	500	500	500	500	500	500	500	500	500	500
COMMUNICATIONS & TELEMETERING	2	300	300	300	300	300	300	300	300	300	300
SUBSCRIPTIONS/BOOKS	2	300	300	300	300	300	300	300	300	300	300
TRAINING, CONFERENCES & MEETINGS	2	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
MEMBERSHIP & DUES	2	1,250	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
WATERSHED & DATA COLLECTION GRNTS	2	15,000	15,500	16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700
WATER CONSERVATION PROGRAM	2	65,000	67,000	69,000	71,100	73,200	75,400	77,700	80,000	82,400	84,900
EDUCATION GRANT PROGRAM	2	17,500	18,000	18,500	19,100	19,700	20,300	20,900	21,500	22,100	22,800
SPECIAL PROJECTS	2	170,000	175,100	180,400	185,800	191,400	197,100	203,000	209,100	215,400	221,900
Subtotal		\$ 367,850	\$ 379,000	\$ 390,400	\$ 402,100	\$ 414,100	\$ 426,400	\$ 439,100	\$ 452,100	\$ 465,700	\$ 479,700
TOTAL: MATERIALS & SERVICES		\$ 367,850	\$ 379,000	\$ 390,400	\$ 402,100	\$ 414,100	\$ 426,400	\$ 439,100	\$ 452,100	\$ 465,700	\$ 479,700
TOTAL: WATERSHED		\$ 499,235	\$ 514,200	\$ 529,700	\$ 545,600	\$ 561,900	\$ 578,600	\$ 595,800	\$ 613,400	\$ 631,700	\$ 650,600

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1**WATER FUND OPERATING EXPENSE FORECAST (2):**

DEPARTMENT: OPERATIONS/SUPPLY & TREATMENT -08	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	3	\$ 681,000	\$ 701,400	\$ 722,400	\$ 744,100	\$ 766,400	\$ 789,400	\$ 813,100	\$ 837,500	\$ 862,600	\$ 888,500
TEMPORARY SALARIES	3	-	-	-	-	-	-	-	-	-	-
OVERTIME WAGES	3	37,000	38,100	39,200	40,400	41,600	42,800	44,100	45,400	46,800	48,200
STANDBY	3	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900
Subtotal		\$ 722,000	\$ 743,600	\$ 765,800	\$ 788,800	\$ 812,400	\$ 836,700	\$ 861,800	\$ 887,600	\$ 914,200	\$ 941,600
Benefits											
MEDICAL INSURANCE	3	\$ 99,000	\$ 102,000	\$ 105,100	\$ 108,300	\$ 111,500	\$ 114,800	\$ 118,200	\$ 121,700	\$ 125,400	\$ 129,200
DENTAL INSURANCE	3	9,900	10,200	10,500	10,800	11,100	11,400	11,700	12,100	12,500	12,900
VISION INSURANCE	3	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
LIFE INSURANCE	3	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
LONG TERM DISABILITY	3	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
PERS - RETIREMENT	3	88,800	91,500	94,200	97,000	99,900	102,900	106,000	109,200	112,500	115,900
FICA - SOCIAL SECURITY	3	44,300	45,600	47,000	48,400	49,900	51,400	52,900	54,500	56,100	57,800
WORKERS COMPENSATION	3	31,500	32,400	33,400	34,400	35,400	36,500	37,600	38,700	39,900	41,100
ASSISTANCE PROGRAM	3	350	400	400	400	400	400	400	400	400	400
MEDICARE RETIRED MEDICAL	3	10,500	10,800	11,100	11,400	11,700	12,100	12,500	12,900	13,300	13,700
SPECIAL CLOTHING	3	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800
CERTIFICATIONS	3	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Subtotal		\$ 297,350	\$ 306,200	\$ 315,300	\$ 324,600	\$ 334,100	\$ 344,000	\$ 354,100	\$ 364,600	\$ 375,500	\$ 386,700
Additional Positions (4)											
Fully Loaded Cost of New Position #9	3	-	100,000	103,000	106,100	109,300	112,600	116,000	119,500	123,100	126,800
Fully Loaded Cost of New Position #10	3	-	-	100,000	103,000	106,100	109,300	112,600	116,000	119,500	123,100
Subtotal		\$ -	\$ 100,000	\$ 203,000	\$ 209,100	\$ 215,400	\$ 221,900	\$ 228,600	\$ 235,500	\$ 242,600	\$ 249,900
TOTAL: PERSONNEL		\$ 1,019,350	\$ 1,149,800	\$ 1,284,100	\$ 1,322,500	\$ 1,361,900	\$ 1,402,600	\$ 1,444,500	\$ 1,487,700	\$ 1,532,300	\$ 1,578,200
MATERIALS & SERVICES											
CONTRACT/PROFESSIONAL SERVICES	2	\$ 100,000	\$ 103,000	\$ 106,100	\$ 109,300	\$ 112,600	\$ 116,000	\$ 119,500	\$ 123,100	\$ 126,800	\$ 130,600
CONTRACT SERVICES MANANA WOODS	2	20,000	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300	26,100
OUTSIDE WATER ANALYSIS	2	64,000	65,900	67,900	69,900	72,000	74,200	76,400	78,700	81,100	83,500
LAB SUPPLIES	2	12,000	12,400	12,800	13,200	13,600	14,000	14,400	14,800	15,200	15,700
EQUIPMENT REPLACEMENT	2	-	-	-	-	-	-	-	-	-	-
UTILITIES	2	285,000	293,600	302,400	311,500	320,800	330,400	340,300	350,500	361,000	371,800
CHEMICALS	2	34,000	35,000	36,100	37,200	38,300	39,400	40,600	41,800	43,100	44,400
OPERATING SUPPLIES	2	45,000	46,400	47,800	49,200	50,700	52,200	53,800	55,400	57,100	58,800
MAINTENANCE/OPERATIONS OF VEHICLES	2	22,000	22,700	23,400	24,100	24,800	25,500	26,300	27,100	27,900	28,700
RENTAL/LEASES/PERMITS	2	105,000	108,200	111,400	114,700	118,100	121,600	125,200	129,000	132,900	136,900
SMALL TOOLS-MAINTENANCE & REPAIRS	2	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400
EQUIPMENT NON-CAP	2	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,700	9,000
FACILITIES MAINTENANCE	2	7,500	7,700	7,900	8,100	8,300	8,500	8,800	9,100	9,400	9,700
COMMUNICATIONS & TELEMETERING	2	34,000	35,000	36,100	37,200	38,300	39,400	40,600	41,800	43,100	44,400
OFFICE SUPPLIES (included 5078)	2	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600
SUBSCRIPTIONS/BOOKS	2	500	500	500	500	500	500	500	500	500	500
TRAINING, CONFERENCES & MEETINGS	2	3,000	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900
OTHER HOUSEHOLD SUPPLIES	2	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 748,300	\$ 770,900	\$ 794,100	\$ 817,800	\$ 842,200	\$ 867,200	\$ 893,200	\$ 919,900	\$ 947,600	\$ 976,000
TOTAL: MATERIALS & SERVICES		\$ 748,300	\$ 770,900	\$ 794,100	\$ 817,800	\$ 842,200	\$ 867,200	\$ 893,200	\$ 919,900	\$ 947,600	\$ 976,000
TOTAL: OPERATIONS/SUPPLY & TREATMENT		\$ 1,767,650	\$ 1,920,700	\$ 2,078,200	\$ 2,140,300	\$ 2,204,100	\$ 2,269,800	\$ 2,337,700	\$ 2,407,600	\$ 2,479,900	\$ 2,554,200
GRAND TOTAL: WATER FUND OPERATING EXPENSES		\$ 5,716,286	\$ 6,287,902	\$ 6,776,262	\$ 7,178,914	\$ 7,493,257	\$ 7,716,591	\$ 7,947,213	\$ 8,184,921	\$ 8,429,922	\$ 8,682,307

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Operating Revenue and Expenses

EXHIBIT 1**NON-CASH ITEMS, EXCLUDED FROM ABOVE:**

DESCRIPTION	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
DEPRECIATION											
DEPRECIATION TRANSPORTATION	1	\$ 880	900	900	900	900	900	900	900	900	900
DEPRECIATION	1	\$ 1,084,474	1,084,500	1,084,500	1,084,500	1,084,500	1,084,500	1,084,500	1,084,500	1,084,500	1,084,500
DEPRECIATION-PUMPING	1	\$ 11,430	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400
DEPRECIATION-MAINTENANCE	1	\$ 554	600	600	600	600	600	600	600	600	600
DEPRECIATION EXPENSE (Bear Creek)	1	\$ 41,773	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800
SUBTOTAL: DEPRECIATION		\$ 1,139,110	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200	\$ 1,139,200

FORECASTING ASSUMPTIONS, Shown for Reference Purposes Only

INFLATION FACTORS	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Growth	1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Cost Inflation	2	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Labor Cost Inflation	3	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Purchases	4	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Energy	5	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Chemicals	6	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Fuel	7	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
No Escalation	8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenues are from the Final Trial Balance on June 30, 2015 from source file: *SLVWD 2015 Working TB.xls* and are actual revenues from FY 14/15.
2. Expenses are from the FY 2015/16 Budget and from source file: *FY1516 BUDGET FINAL.pdf*. All projected expenses are rounded to the nearest \$100.
3. 1.5 percent of Administration budget items are allocated to the sewer utility; per District staff, via email September 2016.
4. New Positions are recommendations found in the Staffing Study Report, prepared by DeLoach & Associates, Inc., August 2016.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Capital Improvement Plan Expenditures

CAPITAL FUNDING SUMMARY - WATER

CAPITAL FUNDING FORECAST - WATER		Budget									
Funding Sources:		FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Grants		\$ 1,270,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Capacity Fee Reserves		-	-	-	-	-	-	-	-	-	-
SRF Loan Funding		-	-	-	-	-	-	-	-	-	-
Use of New Revenue Bond Proceeds		-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve		-	-	-	-	-	-	-	-	-	-
Rate Revenue		2,397,525	3,100,000	2,583,059	2,660,550	2,740,367	2,822,578	2,907,255	2,994,473	3,084,307	3,176,836
Total Sources of Capital Funds		\$ 3,668,000	\$ 3,100,000	\$ 2,583,059	\$ 2,660,550	\$ 2,740,367	\$ 2,822,578	\$ 2,907,255	\$ 2,994,473	\$ 3,084,307	\$ 3,176,836
Uses of Capital Funds:											
Total Project Costs		\$ 3,668,000	\$ 3,100,000	\$ 2,583,059	\$ 2,660,550	\$ 2,740,367	\$ 2,822,578	\$ 2,907,255	\$ 2,994,473	\$ 3,084,307	\$ 3,176,836
Capital Funding Surplus (Deficiency)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SRF Loan Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Revenue Bond Proceeds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL IMPROVEMENT PROGRAM - WATER

Water Capital Improvement Program Costs (in Current-Year Dollars) (1):

Project Description & ID	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Engineering: Other Capital Projects										
Interties 2, 3 & 4	\$ 2,855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fall Creek Fish Ladder Design	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Probation Tank Site Design	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Swim Tank Site Design	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Swim Tank Site Construction	\$ 324,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Distribution: Water Meters & Registers										
5888-1736 Replacement Meters	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Distribution: Other Capital Projects										
5890-9901 Replacement Pumps & Motors	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5890-1202 Felton Heights Mutual Consolidation Project	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Supply & Treatment: Other Capital Projects										
5890-9906 Replacement Pumps & Motors	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SCADA Upgrade/Replacement Lyon	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lyon WTP Control Upgrade	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pasatiempo Well 6 Elect Upgrade	\$ 42,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Capital Expenditures										
Pipes	\$ -	\$ -	\$ 1,064,448	\$ 1,064,448	\$ 1,064,448	\$ 1,064,448	\$ 1,064,448	\$ 1,064,448	\$ 1,064,448	\$ 1,064,448
Tanks (including 10% volume contingency)	\$ -	\$ -	\$ 554,400	\$ 554,400	\$ 554,400	\$ 554,400	\$ 554,400	\$ 554,400	\$ 554,400	\$ 554,400
Pump Stations	\$ -	\$ -	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000
Wells	\$ -	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Diversions	\$ -	\$ -	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500
Admin/Operations Building	\$ -	\$ -	\$ 81,476	\$ 81,476	\$ 81,476	\$ 81,476	\$ 81,476	\$ 81,476	\$ 81,476	\$ 81,476
Other	\$ -	\$ 3,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total: CIP Program Costs (Future-Year Dollars)	\$ 3,668,000	\$ 3,100,000	\$ 2,507,824	\$ 2,507,824	\$ 2,507,824	\$ 2,507,824	\$ 2,507,824	\$ 2,507,824	\$ 2,507,824	\$ 2,507,824

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Capital Improvement Plan Expenditures

Water Capital Improvement Program Costs (in Future-Year Dollars) (2):

Project Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Engineering: Other Capital Projects										
-- Interties 2, 3 & 4	\$ 2,855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Fall Creek Fish Ladder Design	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Probation Tank Site Design	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Swim Tank Site Design	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Swim Tank Site Construction	\$ 324,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Distribution: Water Meters & Registers										
5888-1736 Replacement Meters	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Distribution: Other Capital Projects										
5890-9901 Replacement Pumps & Motors	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5890-1202 Felton Heights Mutual Consolidation Project	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations/Supply & Treatment: Other Capital Projects										
5890-9906 Replacement Pumps & Motors	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- SCADA Upgrade/Replacement Lyon	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Lyon WTP Control Upgrade	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Pasatiempo Well 6 Elect Upgrade	\$ 42,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
--	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Capital Expenditures										
-- Pipes	\$ -	\$ -	\$ 1,096,381	\$ 1,129,273	\$ 1,163,151	\$ 1,198,046	\$ 1,233,987	\$ 1,271,007	\$ 1,309,137	\$ 1,348,411
-- Tanks (including 10% volume contingency)	\$ -	\$ -	\$ 571,032	\$ 588,163	\$ 605,808	\$ 623,982	\$ 642,702	\$ 661,983	\$ 681,842	\$ 702,297
-- Pump Stations	\$ -	\$ -	\$ 638,600	\$ 657,758	\$ 677,491	\$ 697,815	\$ 718,750	\$ 740,312	\$ 762,522	\$ 785,397
-- Wells	\$ -	\$ -	\$ 154,500	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891	\$ 179,108	\$ 184,481	\$ 190,016
-- Treatment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-- Diversions	\$ -	\$ -	\$ 38,625	\$ 39,784	\$ 40,977	\$ 42,207	\$ 43,473	\$ 44,777	\$ 46,120	\$ 47,504
-- Admin/Operations Building	\$ -	\$ -	\$ 83,920	\$ 86,438	\$ 89,031	\$ 91,702	\$ 94,453	\$ 97,287	\$ 100,205	\$ 103,211
-- Other	\$ -	\$ 3,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total: CIP Program Costs (Future-Year Dollars)	\$ 3,668,000	\$ 3,100,000	\$ 2,583,059	\$ 2,660,550	\$ 2,740,367	\$ 2,822,578	\$ 2,907,255	\$ 2,994,473	\$ 3,084,307	\$ 3,176,836

FORECASTING ASSUMPTIONS:

Economic Variables	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Construction Cost Inflation, Per Engineering News Record (2)	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2016	1.00	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27

1. Capital project costs were provided by City Staff in source file: *VWHA_Capital_Asset_Cost_of_Service_9_02_16.pdf*.

2. For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2005-2015 (3.0%). Source: *Engineering News Record website (http://enr.construction.com)*.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Debt Service

EXISTING DEBT OBLIGATIONS - WATER	Budget	Projected								
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Annual Repayment Schedules:										
<u>2004 Refunding Water Revenue Bond, 2012 (1)</u>										
Principal Payment	\$ 616,350	\$ 632,479	\$ 649,030	\$ 666,015	\$ 582,031	\$ 494,531	\$ 103,454	\$ -	\$ -	\$ -
Interest Payment	93,361	77,231	60,680	43,696	26,267	12,354	1,345	-	-	-
Subtotal: Annual Debt Service	\$ 709,710	\$ 709,710	\$ 709,710	\$ 709,710	\$ 608,298	\$ 506,885	\$ 104,799	\$ -	\$ -	\$ -
Coverage Requirement (\$-Amnt above annual payment) (2)	\$ 816,167	\$ 816,167	\$ 816,167	\$ 816,167	\$ 816,167	\$ 816,167	\$ 816,167	\$ -	\$ -	\$ -
Reserve Requirement (total fund balance) (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>2008 Safe Drinking Water Loan (3)</u>										
Principal Payment	\$ 139,174	\$ 142,556	\$ 146,026	\$ 149,577	\$ 153,215	\$ 156,938	\$ 160,758	\$ 164,668	\$ 168,673	\$ 172,772
Interest Payment	47,623	44,242	40,771	37,220	33,582	29,859	26,039	22,129	18,124	14,025
Subtotal: Annual Debt Service	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797	\$ 186,797
Coverage Requirement (\$-Amnt above annual payment) (4)	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477	\$ 205,477
Reserve Requirement (total fund balance) (4)	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594
<u>SVWD-SLVWD Short Term Loan, 2015 (5)</u>										
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	-	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coverage Requirement (\$-Amnt above annual payment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Requirement (total fund balance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1. Source file: *2012 Water Revenue Refunding Bond Payment Schedule.pdf* was provided by staff.

2. Coverage requirement is set to 115% of the maximum annual debt service; Source file: *Revenue Refunding Bond Bank of Nevada.pdf*, page 19, Section 5.13(a)(2).

No reserve fund requirement for refunding bond; Source file: *Revenue Refunding Bond Bank of Nevada.pdf*, page 19, Section 5.13(a)(3).

3. Source file: *Felton WTP SDWBL Loan.pdf* was provided by staff.

4. Coverage requirement is set to 115% of the maximum annual debt service. Reserve requirement equal to two years of annual payments. Source file: *Felton WTP SDWBL Loan.pdf*; Article B-6.

5. Source file: *SVWD-SLVWD Loan Agreement.pdf* was provided by staff.

Existing Annual Debt Obligations to be Satisfied by Water Rates:

Existing Annual Debt Service	\$ 896,508	\$ 896,508	\$ 896,508	\$ 896,508	\$ 795,095	\$ 693,682	\$ 291,596	\$ 186,797	\$ 186,797	\$ 186,797
Existing Annual Coverage Requirement	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 205,477	\$ 205,477	\$ 205,477
Existing Debt Reserve Target	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Debt Service

FUTURE DEBT FINANCING ASSUMPTIONS:

Long-Term Debt Terms	State Revolving Fund Loan	Revenue Bonds
Issuance Cost	0.00%	2.00%
Annual Interest Cost (%)	3.00%	5.50%
Term	30	30
Debt Reserve Funded?	Yes	Yes
Coverage Requirement (% above annual pmt)	20%	25%

FUTURE DEBT OBLIGATIONS:

Annual Repayment Schedules	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>SRF Loan Funding</u>										
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	-	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Revenue Bonds</u>										
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Payment	-	-	-	-	-	-	-	-	-	-
Subtotal: Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Future Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Future Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Future Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL DEBT SERVICE:

Annual Obligations	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Debt Service	\$ 896,508	\$ 896,508	\$ 896,508	\$ 896,508	\$ 795,095	\$ 693,682	\$ 291,596	\$ 186,797	\$ 186,797	\$ 186,797
Annual Coverage Requirement	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 1,021,644	\$ 205,477	\$ 205,477	\$ 205,477
Total Debt Reserve Target	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594	\$ 373,594

**SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Projected Water Rates Under Existing Rate Schedule**

EXHIBIT 4

Current Water Rate Schedule:

Fixed Charges	Current Monthly
<i>Standard Meters:</i>	
5/8 inch	\$34.00
3/4 inch	\$34.00
1 inch	\$56.50
1 1/2 inch	\$114.00
2 inch	\$181.50
3 inch	\$341.00
4 inch	\$567.00
Surplus Water	\$114.00

Volumetric Charges (1)	Tier Thresholds	Current Rates
		Volumetric Charge
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	per CCF	\$4.64
Surplus Water	per CCF	\$10.00

1. CCF = Hundred Cubic Feet or 748 gallons.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
DEPARTMENT: ADMINISTRATION - 01							
PERSONNEL							
Salaries							
REGULAR SALARIES	\$ 236,600	\$ 94,640	\$ 118,300	\$ 23,660	40.0%	50.0%	10.0%
DIRECTORS FEES	\$ 24,400	\$ 9,760	\$ 12,200	\$ 2,440	40.0%	50.0%	10.0%
<i>Subtotal</i>	<i>\$ 261,000</i>	<i>\$ 104,400</i>	<i>\$ 130,500</i>	<i>\$ 26,100</i>	<i>40.0%</i>	<i>50.0%</i>	<i>10.0%</i>
Benefits							
MEDICAL INSURANCE	\$ 43,000	\$ 17,200	\$ 21,500	\$ 4,300	40.0%	50.0%	10.0%
DENTAL INSURANCE	\$ 3,100	\$ 1,240	\$ 1,550	\$ 310	40.0%	50.0%	10.0%
VISION INSURANCE	\$ 500	\$ 200	\$ 250	\$ 50	40.0%	50.0%	10.0%
LIFE INSURANCE	\$ 400	\$ 160	\$ 200	\$ 40	40.0%	50.0%	10.0%
LONG TERM DISABILITY	\$ 1,200	\$ 480	\$ 600	\$ 120	40.0%	50.0%	10.0%
PERS - RETIREMENT	\$ 26,200	\$ 10,480	\$ 13,100	\$ 2,620	40.0%	50.0%	10.0%
FICA - SOCIAL SECURITY	\$ 11,600	\$ 4,640	\$ 5,800	\$ 1,160	40.0%	50.0%	10.0%
WORKERS COMPENSATION	\$ 1,100	\$ 440	\$ 550	\$ 110	40.0%	50.0%	10.0%
ASSISTANCE PROGRAM	\$ 100	\$ 40	\$ 50	\$ 10	40.0%	50.0%	10.0%
OTHER PAYROLL CHARGES	\$ 2,200	\$ 880	\$ 1,100	\$ 220	40.0%	50.0%	10.0%
MEDICARE RETIRED MEDICAL	\$ 3,400	\$ 1,360	\$ 1,700	\$ 340	40.0%	50.0%	10.0%
RETIRED MEDICAL	\$ 13,800	\$ 5,520	\$ 6,900	\$ 1,380	40.0%	50.0%	10.0%
ANNUAL OPEB	\$ 37,200	\$ 14,880	\$ 18,600	\$ 3,720	40.0%	50.0%	10.0%
<i>Subtotal</i>	<i>\$ 143,800</i>	<i>\$ 57,520</i>	<i>\$ 71,900</i>	<i>\$ 14,380</i>	<i>40.0%</i>	<i>50.0%</i>	<i>10.0%</i>
TOTAL: PERSONNEL	\$ 404,800	\$ 161,920	\$ 202,400	\$ 40,480	40.0%	50.0%	10.0%
MATERIALS & SERVICES							
CONTRACT/PROFESSIONAL SERVICES	\$ 119,400	\$ 59,700	\$ 59,700	\$ -	50.0%	50.0%	0.0%
LEGAL SERVICES	\$ 63,700	\$ 31,850	\$ 31,850	\$ -	50.0%	50.0%	0.0%
UTILITIES DISTRICT OFFICE	\$ 12,800	\$ 6,400	\$ 6,400	\$ -	50.0%	50.0%	0.0%
AUTO ALLOWANCE	\$ 4,400	\$ 2,200	\$ 2,200	\$ -	50.0%	50.0%	0.0%
RENTALS/LEASES/PERMITS	\$ 1,000	\$ 500	\$ 500	\$ -	50.0%	50.0%	0.0%
FACILITIES MAINTENANCE	\$ 12,800	\$ 6,400	\$ 6,400	\$ -	50.0%	50.0%	0.0%
TELEPHONE/COMMUNICATIONS	\$ 19,100	\$ 9,550	\$ 9,550	\$ -	50.0%	50.0%	0.0%
OFFICE SUPPLIES (includes 5078)	\$ 10,600	\$ 5,300	\$ 5,300	\$ -	50.0%	50.0%	0.0%
POSTAGE	\$ 500	\$ 250	\$ 250	\$ -	50.0%	50.0%	0.0%
SUBSCRIPTIONS/BOOKS	\$ 500	\$ 250	\$ 250	\$ -	50.0%	50.0%	0.0%
ADVERTISING	\$ 4,200	\$ 2,100	\$ 2,100	\$ -	50.0%	50.0%	0.0%
TRAINING, CONFERENCES & MEETINGS	\$ 5,400	\$ 2,700	\$ 2,700	\$ -	50.0%	50.0%	0.0%
MEMBERSHIPS & DUES (includes 5085)	\$ 35,000	\$ 17,500	\$ 17,500	\$ -	50.0%	50.0%	0.0%
INSURANCE - PROPERTY (SDRMA)	\$ 81,700	\$ 40,850	\$ 40,850	\$ -	50.0%	50.0%	0.0%
LEGAL SETTLEMENTS	\$ -	\$ -	\$ -	\$ -	50.0%	50.0%	0.0%
ELECTION FEES	\$ -	\$ -	\$ -	\$ -	50.0%	50.0%	0.0%
<i>Subtotal</i>	<i>\$ 371,100</i>	<i>\$ 185,550</i>	<i>\$ 185,550</i>	<i>\$ -</i>	<i>50.0%</i>	<i>50.0%</i>	<i>0.0%</i>
ADMINISTRATION OVERHEAD ALLOCATION TO SEWER (1.5%)	\$ (11,639)	\$ (5,819)	\$ (5,819)	\$ -	50.0%	50.0%	0.0%
TOTAL: MATERIALS & SERVICES	\$ 359,462	\$ 179,731	\$ 179,731	\$ -	50.0%	50.0%	0.0%
TOTAL: ADMINISTRATION	\$ 764,262	\$ 341,651	\$ 382,131	\$ 40,480	44.7%	50.0%	5.3%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
DEPARTMENT: FINANCE - 02							
PERSONNEL							
Salaries							
REGULAR SALARIES	\$ 387,300	\$ -	\$ 193,650	\$ 193,650	0.0%	50.0%	50.0%
TEMPORARY SALARIES	\$ -	\$ -	\$ -	\$ -	0.0%	50.0%	50.0%
OVERTIME WAGES	\$ 500	\$ -	\$ 250	\$ 250	0.0%	50.0%	50.0%
<i>Subtotal</i>	<i>\$ 387,800</i>	<i>\$ -</i>	<i>\$ 193,900</i>	<i>\$ 193,900</i>	<i>0.0%</i>	<i>50.0%</i>	<i>50.0%</i>
Benefits							
MEDICAL INSURANCE	\$ 59,100	\$ -	\$ 29,550	\$ 29,550	0.0%	50.0%	50.0%
DENTAL INSURANCE	\$ 6,800	\$ -	\$ 3,400	\$ 3,400	0.0%	50.0%	50.0%
VISION INSURANCE	\$ 1,000	\$ -	\$ 500	\$ 500	0.0%	50.0%	50.0%
LIFE INSURANCE	\$ 1,000	\$ -	\$ 500	\$ 500	0.0%	50.0%	50.0%
LONG TERM DISABILITY	\$ 2,000	\$ -	\$ 1,000	\$ 1,000	0.0%	50.0%	50.0%
PERS - RETIREMENT	\$ 38,700	\$ -	\$ 19,350	\$ 19,350	0.0%	50.0%	50.0%
FICA - SOCIAL SECURITY	\$ 24,000	\$ -	\$ 12,000	\$ 12,000	0.0%	50.0%	50.0%
WORKERS COMPENSATION	\$ 1,900	\$ -	\$ 950	\$ 950	0.0%	50.0%	50.0%
ASSISTANCE PROGRAM	\$ 200	\$ -	\$ 100	\$ 100	0.0%	50.0%	50.0%
MEDICARE RETIRED MEDICAL	\$ 5,700	\$ -	\$ 2,850	\$ 2,850	0.0%	50.0%	50.0%
<i>Subtotal</i>	<i>\$ 140,400</i>	<i>\$ -</i>	<i>\$ 70,200</i>	<i>\$ 70,200</i>	<i>0.0%</i>	<i>50.0%</i>	<i>50.0%</i>
Additional Positions (4)							
Fully Loaded Cost of New Position #1	\$ 103,000	\$ -	\$ 51,500	\$ 51,500	0.0%	50.0%	50.0%
Fully Loaded Cost of New Position #2	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	0.0%	50.0%	50.0%
Fully Loaded Cost of New Position #3	\$ -	\$ -	\$ -	\$ -	0.0%	50.0%	50.0%
Fully Loaded Cost of New Position #4	\$ -	\$ -	\$ -	\$ -	0.0%	50.0%	50.0%
Fully Loaded Cost of New Position #5	\$ -	\$ -	\$ -	\$ -	0.0%	50.0%	50.0%
<i>Subtotal</i>	<i>\$ 203,000</i>	<i>\$ -</i>	<i>\$ 101,500</i>	<i>\$ 101,500</i>	<i>0.0%</i>	<i>50.0%</i>	<i>50.0%</i>
TOTAL: PERSONNEL	\$ 731,200	\$ -	\$ 365,600	\$ 365,600	0.0%	50.0%	50.0%
MATERIALS & SERVICES							
CONTRACT/PROFESSIONAL SERVICES	\$ 63,900	\$ -	\$ 31,950	\$ 31,950	0.0%	50.0%	50.0%
AUDIT SERVICES	\$ 26,600	\$ -	\$ 13,300	\$ 13,300	0.0%	50.0%	50.0%
OFFICE SUPPLIES (includes 5078)	\$ 12,800	\$ -	\$ 6,400	\$ 6,400	0.0%	50.0%	50.0%
POSTAGE	\$ 42,400	\$ -	\$ 21,200	\$ 21,200	0.0%	50.0%	50.0%
TRAINING, CONFERENCES & MEETINGS	\$ 3,200	\$ -	\$ 1,600	\$ 1,600	0.0%	50.0%	50.0%
COLLECTION COSTS/BANK FEES	\$ 31,800	\$ -	\$ 15,900	\$ 15,900	0.0%	50.0%	50.0%
BAD DEBTS	\$ 6,400	\$ -	\$ 3,200	\$ 3,200	0.0%	50.0%	50.0%
<i>Subtotal</i>	<i>\$ 187,100</i>	<i>\$ -</i>	<i>\$ 93,550</i>	<i>\$ 93,550</i>	<i>0.0%</i>	<i>50.0%</i>	<i>50.0%</i>
TOTAL: MATERIALS & SERVICES	\$ 187,100	\$ -	\$ 93,550	\$ 93,550	0.0%	50.0%	50.0%
TOTAL: FINANCE	\$ 918,300	\$ -	\$ 459,150	\$ 459,150	0.0%	50.0%	50.0%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
DEPARTMENT: ENGINEERING - 03							
PERSONNEL							
Salaries							
REGULAR SALARIES	\$ 109,900	\$ 49,455	\$ 54,950	\$ 5,495	45.0%	50.0%	5.0%
OVERTIME WAGES	\$ -	\$ -	\$ -	\$ -	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 109,900</i>	<i>\$ 49,455</i>	<i>\$ 54,950</i>	<i>\$ 5,495</i>	<i>45.0%</i>	<i>50.0%</i>	<i>5.0%</i>
Benefits							
MEDICAL INSURANCE	\$ 17,000	\$ 7,650	\$ 8,500	\$ 850	45.0%	50.0%	5.0%
DENTAL INSURANCE	\$ 1,300	\$ 585	\$ 650	\$ 65	45.0%	50.0%	5.0%
VISION INSURANCE	\$ 200	\$ 90	\$ 100	\$ 10	45.0%	50.0%	5.0%
LIFE INSURANCE	\$ 200	\$ 90	\$ 100	\$ 10	45.0%	50.0%	5.0%
LONG TERM DISABILITY	\$ 500	\$ 225	\$ 250	\$ 25	45.0%	50.0%	5.0%
PERS - RETIREMENT	\$ 14,000	\$ 6,300	\$ 7,000	\$ 700	45.0%	50.0%	5.0%
FICA - SOCIAL SECURITY	\$ 6,800	\$ 3,060	\$ 3,400	\$ 340	45.0%	50.0%	5.0%
WORKERS COMPENSATION	\$ 500	\$ 225	\$ 250	\$ 25	45.0%	50.0%	5.0%
ASSISTANCE PROGRAM	\$ 100	\$ 45	\$ 50	\$ 5	45.0%	50.0%	5.0%
MEDICARE RETIRED MEDICAL	\$ 1,600	\$ 720	\$ 800	\$ 80	45.0%	50.0%	5.0%
SPECIAL CLOTHING	\$ 700	\$ 315	\$ 350	\$ 35	45.0%	50.0%	5.0%
ANNUAL OPEB	\$ -	\$ -	\$ -	\$ -	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 42,900</i>	<i>\$ 19,305</i>	<i>\$ 21,450</i>	<i>\$ 2,145</i>	<i>45.0%</i>	<i>50.0%</i>	<i>5.0%</i>
Additional Positions (4)							
Fully Loaded Cost of New Position #6	\$ 103,000	\$ 46,350	\$ 51,500	\$ 5,150	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 103,000</i>	<i>\$ 46,350</i>	<i>\$ 51,500</i>	<i>\$ 5,150</i>	<i>45.0%</i>	<i>50.0%</i>	<i>5.0%</i>
TOTAL: PERSONNEL	\$ 255,800	\$ 115,110	\$ 127,900	\$ 12,790	45.0%	50.0%	5.0%
MATERIALS & SERVICES							
CONTRACT/PROFESSIONAL SERVICES	\$ 21,200	\$ 9,540	\$ 10,600	\$ 1,060	45.0%	50.0%	5.0%
EQUIPMENT REPLACEMENT FUND	\$ -	\$ -	\$ -	\$ -	45.0%	50.0%	5.0%
MAINT/OPERATIONS OF VEHICLES	\$ 1,000	\$ 450	\$ 500	\$ 50	45.0%	50.0%	5.0%
SMALL TOOLS/MAINT & REPAIRS	\$ 100	\$ 45	\$ 50	\$ 5	45.0%	50.0%	5.0%
EQUIP. NON-CAP	\$ 1,200	\$ 540	\$ 600	\$ 60	45.0%	50.0%	5.0%
COMMUNICATIONS	\$ 800	\$ 360	\$ 400	\$ 40	45.0%	50.0%	5.0%
OFFICE SUPPLIES	\$ 800	\$ 360	\$ 400	\$ 40	45.0%	50.0%	5.0%
SUBSCRIPTIONS/BOOKS	\$ 1,200	\$ 540	\$ 600	\$ 60	45.0%	50.0%	5.0%
TRAINING, CONFERENCES & MEETINGS	\$ 1,000	\$ 450	\$ 500	\$ 50	45.0%	50.0%	5.0%
MEMBERSHIPS & DUES	\$ 6,400	\$ 2,880	\$ 3,200	\$ 320	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 33,700</i>	<i>\$ 15,165</i>	<i>\$ 16,850</i>	<i>\$ 1,685</i>	<i>45.0%</i>	<i>50.0%</i>	<i>5.0%</i>
TOTAL: MATERIALS & SERVICES	\$ 33,700	\$ 15,165	\$ 16,850	\$ 1,685	45.0%	50.0%	5.0%
TOTAL: ENGINEERING	\$ 289,500	\$ 130,275	\$ 144,750	\$ 14,475	45.0%	50.0%	5.0%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
DEPARTMENT: OPERATIONS/DISTRIBUTION - 04							
PERSONNEL							
Salaries							
REGULAR SALARIES	\$ 924,100	\$ 600,665	\$ 277,230	\$ 46,205	65.0%	30.0%	5.0%
TEMPORARY SALARIES	\$ -	\$ -	\$ -	\$ -	65.0%	30.0%	5.0%
OVERTIME WAGES	\$ 42,400	\$ 27,560	\$ 12,720	\$ 2,120	65.0%	30.0%	5.0%
STANDBY WAGES	\$ 28,600	\$ 18,590	\$ 8,580	\$ 1,430	65.0%	30.0%	5.0%
<i>Subtotal</i>	<i>\$ 995,100</i>	<i>\$ 646,815</i>	<i>\$ 298,530</i>	<i>\$ 49,755</i>	<i>65.0%</i>	<i>30.0%</i>	<i>5.0%</i>
Benefits							
MEDICAL INSURANCE	\$ 194,200	\$ 126,230	\$ 58,260	\$ 9,710	65.0%	30.0%	5.0%
DENTAL INSURANCE	\$ 20,400	\$ 13,260	\$ 6,120	\$ 1,020	65.0%	30.0%	5.0%
VISION INSURANCE	\$ 3,000	\$ 1,950	\$ 900	\$ 150	65.0%	30.0%	5.0%
LIFE INSURANCE	\$ 2,400	\$ 1,560	\$ 720	\$ 120	65.0%	30.0%	5.0%
LONG TERM DISABILITY	\$ 4,700	\$ 3,055	\$ 1,410	\$ 235	65.0%	30.0%	5.0%
PERS - RETIREMENT	\$ 109,800	\$ 71,370	\$ 32,940	\$ 5,490	65.0%	30.0%	5.0%
FICA - SOCIAL SECURITY	\$ 61,000	\$ 39,650	\$ 18,300	\$ 3,050	65.0%	30.0%	5.0%
WORKERS COMPENSATION	\$ 42,400	\$ 27,560	\$ 12,720	\$ 2,120	65.0%	30.0%	5.0%
ASSISTANCE PROGRAM	\$ 500	\$ 325	\$ 150	\$ 25	65.0%	30.0%	5.0%
MEDICARE RETIRED MEDICAL	\$ 14,400	\$ 9,360	\$ 4,320	\$ 720	65.0%	30.0%	5.0%
SPECIAL CLOTHING	\$ 7,600	\$ 4,940	\$ 2,280	\$ 380	65.0%	30.0%	5.0%
CERTIFICATIONS	\$ 800	\$ 520	\$ 240	\$ 40	65.0%	30.0%	5.0%
<i>Subtotal</i>	<i>\$ 461,200</i>	<i>\$ 299,780</i>	<i>\$ 138,360</i>	<i>\$ 23,060</i>	<i>65.0%</i>	<i>30.0%</i>	<i>5.0%</i>
Additional Positions (4)							
Fully Loaded Cost of New Position #7	\$ 103,000	\$ 66,950	\$ 30,900	\$ 5,150	65.0%	30.0%	5.0%
Fully Loaded Cost of New Position #8	\$ 100,000	\$ 65,000	\$ 30,000	\$ 5,000	65.0%	30.0%	5.0%
<i>Subtotal</i>	<i>\$ 203,000</i>	<i>\$ 131,950</i>	<i>\$ 60,900</i>	<i>\$ 10,150</i>	<i>65.0%</i>	<i>30.0%</i>	<i>5.0%</i>
TOTAL: PERSONNEL	\$ 1,659,300	\$ 1,078,545	\$ 497,790	\$ 82,965	65.0%	30.0%	5.0%
MATERIALS & SERVICES							
CONTRACT/PROFESSIONAL SERVICES	\$ 74,300	\$ 48,295	\$ 22,290	\$ 3,715	65.0%	30.0%	5.0%
EQUIPMENT REPLACEMENT FUND	\$ -	\$ -	\$ -	\$ -	65.0%	30.0%	5.0%
UTILITIES	\$ 116,700	\$ 75,855	\$ 35,010	\$ 5,835	65.0%	30.0%	5.0%
OPERATING SUPPLIES	\$ 95,500	\$ 62,075	\$ 28,650	\$ 4,775	65.0%	30.0%	5.0%
MAINT & OPERATIONS OF VEHICLES	\$ 79,600	\$ 51,740	\$ 23,880	\$ 3,980	65.0%	30.0%	5.0%
RENTAL/LEASES/PERMITS	\$ 10,600	\$ 6,890	\$ 3,180	\$ 530	65.0%	30.0%	5.0%
SMALL TOOLS-MAINT & REPAIRS	\$ 10,600	\$ 6,890	\$ 3,180	\$ 530	65.0%	30.0%	5.0%
EQUIPMENT NON-CAP	\$ 7,900	\$ 5,135	\$ 2,370	\$ 395	65.0%	30.0%	5.0%
FACILITIES MAINTENANCE	\$ 16,000	\$ 10,400	\$ 4,800	\$ 800	65.0%	30.0%	5.0%
COMMUNICATIONS & TELEMETERING	\$ 59,400	\$ 38,610	\$ 17,820	\$ 2,970	65.0%	30.0%	5.0%
OFFICE SUPPLIES (included 5078)	\$ 6,900	\$ 4,485	\$ 2,070	\$ 345	65.0%	30.0%	5.0%
SUBSCRIPTIONS/BOOKS	\$ -	\$ -	\$ -	\$ -	65.0%	30.0%	5.0%
TRAINING, CONFERENCES & MEETINGS	\$ 5,400	\$ 3,510	\$ 1,620	\$ 270	65.0%	30.0%	5.0%
SPECIAL PROJECTS	\$ 54,100	\$ 35,165	\$ 16,230	\$ 2,705	65.0%	30.0%	5.0%
<i>Subtotal</i>	<i>\$ 537,000</i>	<i>\$ 349,050</i>	<i>\$ 161,100</i>	<i>\$ 26,850</i>	<i>65.0%</i>	<i>30.0%</i>	<i>5.0%</i>
TOTAL: MATERIALS & SERVICES	\$ 537,000	\$ 349,050	\$ 161,100	\$ 26,850	65.0%	30.0%	5.0%
TOTAL: OPERATIONS/DISTRIBUTION	\$ 2,196,300	\$ 1,427,595	\$ 658,890	\$ 109,815	65.0%	30.0%	5.0%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
DEPARTMENT: WATERSHED - 05							
PERSONNEL							
Salaries							
REGULAR SALARIES	\$ 95,000	\$ 42,750	\$ 47,500	\$ 4,750	45.0%	50.0%	5.0%
TEMPORARY SALARIES	\$ -	\$ -	\$ -	\$ -	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 95,000</i>	<i>\$ 42,750</i>	<i>\$ 47,500</i>	<i>\$ 4,750</i>	<i>45.0%</i>	<i>50.0%</i>	<i>5.0%</i>
Benefits							
MEDICAL INSURANCE	\$ 21,300	\$ 9,585	\$ 10,650	\$ 1,065	45.0%	50.0%	5.0%
DENTAL INSURANCE	\$ 2,300	\$ 1,035	\$ 1,150	\$ 115	45.0%	50.0%	5.0%
VISION INSURANCE	\$ 300	\$ 135	\$ 150	\$ 15	45.0%	50.0%	5.0%
LIFE INSURANCE	\$ 100	\$ 45	\$ 50	\$ 5	45.0%	50.0%	5.0%
LONG TERM DISABILITY	\$ 500	\$ 225	\$ 250	\$ 25	45.0%	50.0%	5.0%
PERS - RETIREMENT	\$ 12,100	\$ 5,445	\$ 6,050	\$ 605	45.0%	50.0%	5.0%
FICA - SOCIAL SECURITY	\$ 6,000	\$ 2,700	\$ 3,000	\$ 300	45.0%	50.0%	5.0%
WORKERS COMPENSATION	\$ 400	\$ 180	\$ 200	\$ 20	45.0%	50.0%	5.0%
ASSISTANCE PROGRAM	\$ -	\$ -	\$ -	\$ -	45.0%	50.0%	5.0%
MEDICARE	\$ 1,300	\$ 585	\$ 650	\$ 65	45.0%	50.0%	5.0%
SPECIAL CLOTHING	\$ -	\$ -	\$ -	\$ -	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 44,300</i>	<i>\$ 19,935</i>	<i>\$ 22,150</i>	<i>\$ 2,215</i>	<i>45.0%</i>	<i>50.0%</i>	<i>5.0%</i>
TOTAL: PERSONNEL	\$ 139,300	\$ 62,685	\$ 69,650	\$ 6,965	45.0%	50.0%	5.0%
MATERIALS & SERVICES							
CONTRACT/PROFESSIONAL SERVICES	\$ 84,900	\$ 38,205	\$ 42,450	\$ 4,245	45.0%	50.0%	5.0%
ROAD MAINTENANCE	\$ 16,000	\$ 7,200	\$ 8,000	\$ 800	45.0%	50.0%	5.0%
OPERATING SUPPLIES	\$ 500	\$ 225	\$ 250	\$ 25	45.0%	50.0%	5.0%
COMMUNICATIONS & TELEMETERING	\$ 300	\$ 135	\$ 150	\$ 15	45.0%	50.0%	5.0%
SUBSCRIPTIONS/BOOKS	\$ 300	\$ 135	\$ 150	\$ 15	45.0%	50.0%	5.0%
TRAINING, CONFERENCES & MEETINGS	\$ 3,200	\$ 1,440	\$ 1,600	\$ 160	45.0%	50.0%	5.0%
MEMBERSHIP & DUES	\$ 1,300	\$ 585	\$ 650	\$ 65	45.0%	50.0%	5.0%
WATERSHED & DATA COLLECTION GRNTS	\$ 16,000	\$ 7,200	\$ 8,000	\$ 800	45.0%	50.0%	5.0%
WATER CONSERVATION PROGRAM	\$ 69,000	\$ 69,000	\$ -	\$ -	100.0%	0.0%	0.0%
EDUCATION GRANT PROGRAM	\$ 18,500	\$ 8,325	\$ 9,250	\$ 925	45.0%	50.0%	5.0%
SPECIAL PROJECTS	\$ 180,400	\$ 81,180	\$ 90,200	\$ 9,020	45.0%	50.0%	5.0%
<i>Subtotal</i>	<i>\$ 390,400</i>	<i>\$ 213,630</i>	<i>\$ 160,700</i>	<i>\$ 16,070</i>	<i>54.7%</i>	<i>41.2%</i>	<i>4.1%</i>
TOTAL: MATERIALS & SERVICES	\$ 390,400	\$ 213,630	\$ 160,700	\$ 16,070	54.7%	41.2%	4.1%
TOTAL: WATERSHED	\$ 529,700	\$ 276,315	\$ 230,350	\$ 23,035	52.2%	43.5%	4.3%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
DEPARTMENT: OPERATIONS/SUPPLY & TREATMENT -08							
PERSONNEL							
Salaries							
REGULAR SALARIES	\$ 722,400	\$ 361,200	\$ 361,200	\$ -	50.0%	50.0%	0.0%
TEMPORARY SALARIES	\$ -	\$ -	\$ -	\$ -	50.0%	50.0%	0.0%
OVERTIME WAGES	\$ 39,200	\$ 19,600	\$ 19,600	\$ -	50.0%	50.0%	0.0%
STANDBY	\$ 4,200	\$ 2,100	\$ 2,100	\$ -	50.0%	50.0%	0.0%
<i>Subtotal</i>	<i>\$ 765,800</i>	<i>\$ 382,900</i>	<i>\$ 382,900</i>	<i>\$ -</i>	<i>50.0%</i>	<i>50.0%</i>	<i>0.0%</i>
Benefits							
MEDICAL INSURANCE	\$ 105,100	\$ 52,550	\$ 52,550	\$ -	50.0%	50.0%	0.0%
DENTAL INSURANCE	\$ 10,500	\$ 5,250	\$ 5,250	\$ -	50.0%	50.0%	0.0%
VISION INSURANCE	\$ 1,500	\$ 750	\$ 750	\$ -	50.0%	50.0%	0.0%
LIFE INSURANCE	\$ 1,500	\$ 750	\$ 750	\$ -	50.0%	50.0%	0.0%
LONG TERM DISABILITY	\$ 3,700	\$ 1,850	\$ 1,850	\$ -	50.0%	50.0%	0.0%
PERS - RETIREMENT	\$ 94,200	\$ 47,100	\$ 47,100	\$ -	50.0%	50.0%	0.0%
FICA - SOCIAL SECURITY	\$ 47,000	\$ 23,500	\$ 23,500	\$ -	50.0%	50.0%	0.0%
WORKERS COMPENSATION	\$ 33,400	\$ 16,700	\$ 16,700	\$ -	50.0%	50.0%	0.0%
ASSISTANCE PROGRAM	\$ 400	\$ 200	\$ 200	\$ -	50.0%	50.0%	0.0%
MEDICARE RETIRED MEDICAL	\$ 11,100	\$ 5,550	\$ 5,550	\$ -	50.0%	50.0%	0.0%
SPECIAL CLOTHING	\$ 5,400	\$ 2,700	\$ 2,700	\$ -	50.0%	50.0%	0.0%
CERTIFICATIONS	\$ 1,500	\$ 750	\$ 750	\$ -	50.0%	50.0%	0.0%
<i>Subtotal</i>	<i>\$ 315,300</i>	<i>\$ 157,650</i>	<i>\$ 157,650</i>	<i>\$ -</i>	<i>50.0%</i>	<i>50.0%</i>	<i>0.0%</i>
Additional Positions (4)							
Fully Loaded Cost of New Position #9	\$ 103,000	\$ 51,500	\$ 51,500	\$ -	50.0%	50.0%	0.0%
Fully Loaded Cost of New Position #10	\$ 100,000	\$ 50,000	\$ 50,000	\$ -	50.0%	50.0%	0.0%
<i>Subtotal</i>	<i>\$ 203,000</i>	<i>\$ 101,500</i>	<i>\$ 101,500</i>	<i>\$ -</i>	<i>50.0%</i>	<i>50.0%</i>	<i>0.0%</i>
TOTAL: PERSONNEL	\$ 1,284,100	\$ 642,050	\$ 642,050	\$ -	50.0%	50.0%	0.0%
MATERIALS & SERVICES							
CONTRACT/PROFESSIONAL SERVICES	\$ 106,100	\$ 53,050	\$ 53,050	\$ -	50.0%	50.0%	0.0%
CONTRACT SERVICES MANANA WOODS	\$ 21,200	\$ 10,600	\$ 10,600	\$ -	50.0%	50.0%	0.0%
OUTSIDE WATER ANALYSIS	\$ 67,900	\$ 33,950	\$ 33,950	\$ -	50.0%	50.0%	0.0%
LAB SUPPLIES	\$ 12,800	\$ 6,400	\$ 6,400	\$ -	50.0%	50.0%	0.0%
EQUIPMENT REPLACEMENT	\$ -	\$ -	\$ -	\$ -	50.0%	50.0%	0.0%
UTILITIES	\$ 302,400	\$ 151,200	\$ 151,200	\$ -	50.0%	50.0%	0.0%
CHEMICALS	\$ 36,100	\$ 18,050	\$ 18,050	\$ -	50.0%	50.0%	0.0%
OPERATING SUPPLIES	\$ 47,800	\$ 23,900	\$ 23,900	\$ -	50.0%	50.0%	0.0%
MAINTENANCE/OPERATIONS OF VEHICLES	\$ 23,400	\$ 11,700	\$ 11,700	\$ -	50.0%	50.0%	0.0%
RENTAL/LEASES/PERMITS	\$ 111,400	\$ 55,700	\$ 55,700	\$ -	50.0%	50.0%	0.0%
SMALL TOOLS-MAINTENANCE & REPAIRS	\$ 3,700	\$ 1,850	\$ 1,850	\$ -	50.0%	50.0%	0.0%
EQUIPMENT NON-CAP	\$ 7,400	\$ 3,700	\$ 3,700	\$ -	50.0%	50.0%	0.0%
FACILITIES MAINTENANCE	\$ 7,900	\$ 3,950	\$ 3,950	\$ -	50.0%	50.0%	0.0%
COMMUNICATIONS & TELEMETERING	\$ 36,100	\$ 18,050	\$ 18,050	\$ -	50.0%	50.0%	0.0%
OFFICE SUPPLIES (included 5078)	\$ 6,200	\$ 3,100	\$ 3,100	\$ -	50.0%	50.0%	0.0%
SUBSCRIPTIONS/BOOKS	\$ 500	\$ 250	\$ 250	\$ -	50.0%	50.0%	0.0%
TRAINING, CONFERENCES & MEETINGS	\$ 3,200	\$ 1,600	\$ 1,600	\$ -	50.0%	50.0%	0.0%
OTHER HOUSEHOLD SUPPLIES	\$ -	\$ -	\$ -	\$ -	50.0%	50.0%	0.0%
<i>Subtotal</i>	<i>\$ 794,100</i>	<i>\$ 397,050</i>	<i>\$ 397,050</i>	<i>\$ -</i>	<i>50.0%</i>	<i>50.0%</i>	<i>0.0%</i>
TOTAL: MATERIALS & SERVICES	\$ 794,100	\$ 397,050	\$ 397,050	\$ -	50.0%	50.0%	0.0%
TOTAL: OPERATIONS/SUPPLY & TREATMENT	\$ 2,078,200	\$ 1,039,100	\$ 1,039,100	\$ -	50.0%	50.0%	0.0%
GRAND TOTAL: WATER FUND OPERATING EXPENSES	\$ 6,776,262	\$ 3,214,936	\$ 2,914,371	\$ 646,955	47.4%	43.0%	9.5%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Cost of Service Analysis

Classification of Expenses - Water							
Budget Categories	Total Revenue Requirements	Commodity	Capacity	Customer	Basis of Classification		
	FY 2017/18	(COM)	(CAP)	(CA)	(COM)	(CAP)	(CA)
Debt Service Payments							
2004 Refunding Water Revenue Bond, 2012 (1)	\$ 709,710	\$ -	\$ 709,710	\$ -	0.0%	100.0%	0.0%
2008 Safe Drinking Water Loan (3)	\$ 186,797	\$ -	\$ 186,797	\$ -	0.0%	100.0%	0.0%
Future New Debt	\$ -	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%
Total Debt Service Payments	\$ 896,508	\$ -	\$ 896,508	\$ -	0.0%	100.0%	0.0%
Capital Expenditures							
Rate Funded Capital Expenses	\$ 2,583,059	\$ -	\$ 2,583,059	\$ -	0.0%	100.0%	0.0%
TOTAL REVENUE REQUIREMENTS	\$ 10,255,828	\$ 3,214,936	\$ 6,393,937	\$ 646,955	31.3%	62.3%	6.3%
Less: Non-Rate Revenues							
7501 Property Taxes							
PROPERTY TAXES	\$ (527,308)	\$ -	\$ (527,308)	\$ -	0.0%	100.0%	0.0%
OLY ASSESSMENT REVENUE	\$ -	\$ -	\$ -	\$ -	0.0%	100.0%	0.0%
7502 Rental Revenue							
MOBILE SERVICES LEASE FEES	\$ (15,713)	\$ (4,926)	\$ (9,796)	\$ (991)	31.3%	62.3%	6.3%
JOHNSON PROPERTY RENTS	\$ (14,000)	\$ (4,389)	\$ (8,728)	\$ (883)	31.3%	62.3%	6.3%
7503 Investment Earnings							
LOMPICO LOAN - INTEREST	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
INTEREST - WATER	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
INTEREST - FELTON LOAN RESERVE	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
REALIZED G/L - MSDW	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
UNREALIZED GAINS/LOSS - MSDW	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
INTEREST DIVIDEND - MSDW	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
7504 Gain/Loss on Sale of Assets							
SALE OF SURPLUS PROPERTY	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
LOSS ON SALE/ABAND FIXED ASSET	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
7505 Other Income							
ACCT. ESTAB. CHARGES & PENALTY	\$ (50,000)	\$ (15,674)	\$ (31,172)	\$ (3,154)	31.3%	62.3%	6.3%
ASSESSMENT BOND - N.B.C.	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
SALE OF METERS	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
MISCELLANEOUS	\$ (9,803)	\$ (3,073)	\$ (6,112)	\$ (618)	31.3%	62.3%	6.3%
REIMB. FOR MANANA WOODS	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
LOMPICO LOAN - PRINCIPAL	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
CSI - #34053 MANANA WOODS	\$ (237)	\$ (74)	\$ (148)	\$ (15)	31.3%	62.3%	6.3%
CSI - # 34057 LYON WTP	\$ (1,148)	\$ (360)	\$ (716)	\$ (72)	31.3%	62.3%	6.3%
CSI - #34058 KIRBY WTP	\$ (5,184)	\$ (1,625)	\$ (3,232)	\$ (327)	31.3%	62.3%	6.3%
Deduction to Uses of Funds for Revenue to Meet Net Rev. Req't	\$ -	\$ -	\$ -	\$ -	31.3%	62.3%	6.3%
NET REVENUE REQUIREMENTS - WATER	\$ 9,632,435	\$ 3,184,816	\$ 5,806,726	\$ 640,894			
Allocation of Revenue Requirements	100.0%	33.1%	60.3%	6.7%			

Net Revenue Req't. Check from Financial Plan \$ -

Classification of Expenses - Water, continued				
Adjustments to Classification of Expenses				
Adjustment for Current Rate Level:	Total	(COM)	(CAP)	(CA)
Test Year (FY 2017/18) Target Rate Revenue	\$ 11,103,572			
Projected Rate Revenue at Current Rates	\$ 5,237,534			
Adjusted Net Revenue Req'ts	\$ 11,103,572	\$ 3,671,224	\$ 6,693,572	\$ 738,776
Percent of Revenue	100.0%	33.1%	60.3%	6.7%

Existing Allocation of Fixed vs. Variable Charges		
Variable Charges	\$ 2,435,625	46%
Fixed Charges	\$ 2,806,166	53%
Drought Surcharges	\$ 80,021	2%
Total	\$ 5,321,811	100%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Water Cost of Service Analysis

Development of the COMMODITY (Volumetric) Allocation Factor - Water Utility				
Customer Class	FY 2014/15 Volume (ccf) (1)	% Adjustment for Conservation	Estimated FY 2015/16 Volume Adjusted for Conservation	Percent of Total Volume
Residential	444,202	0%	444,202	70.0%
Multi-Family Residential	100,184	0%	100,184	15.8%
Commercial	7,261	0%	7,261	1.1%
Industrial	31,389	0%	31,389	4.9%
Landscape/Irrigation	36,761	0%	36,761	5.8%
Other systems	5,779	0%	5,779	0.9%
Private Mutual	6,368	0%	6,368	1.0%
Surplus (bulk water sales)	2,149	0%	2,149	0.3%
Vacant	370	0%	370	0.1%
Total	634,462	0%	634,462	100%

1. Consumption data is based on the SLVWD's billing data.

Commodity Related Costs: These costs are associated with the total consumption (flow) of water over a specified period of time (e.g. annual).

Development of the CAPACITY (MAX MONTH) Allocation Factor - Water Utility				
Customer Class	Average Monthly Use (ccf)	Peak Monthly Use (ccf) (1)	Peak Monthly Factor	Max Month Capacity Factor
Residential	37,017	48,392	1.31	67.6%
Multi-Family Residential	8,349	10,486	1.26	14.6%
Commercial	605	1,163	1.92	1.6%
Industrial	2,616	3,170	1.21	4.4%
Landscape/Irrigation	3,063	4,590	1.50	6.4%
Other systems	482	1,157	2.40	1.6%
Private Mutual	531	1,956	3.69	2.7%
Surplus (bulk water sales)	179	642	3.58	0.9%
Vacant	31	65	2.11	0.1%
Total	52,872	71,622	1.35	100%

1. Based on peak monthly data (peak day data not available).

Capacity Related Costs: Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Water Cost of Service Analysis

Development of the CUSTOMER Allocation Factor - Water Utility		
Customer Class	Number of Meters (1)	Percent of Total
Residential	6,531	88.6%
Multi-Family Residential	502	6.8%
Commercial	199	2.7%
Industrial	52	0.7%
Landscape/Irrigation	13	0.2%
Other systems	7	0.1%
Private Mutual	6	0.1%
Surplus (bulk water sales)	3	0.0%
Vacant	59	0.8%
Total	7,372	100.0%

1. Meter Count data is based on the SLVWD's billing data for February 2016.

Customer Related Costs : Costs associated with having a customer on the water system. These costs vary with the addition or deletion of customers on the system. Examples: Meter-reading, Postage and billing.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Water Cost of Service Analysis

ALLOCATION OF WATER REVENUE REQUIREMENTS:

Classification Components	Net Revenue Requirements (2017/18)	
Financial Plan Alternative:		
Commodity-Related Costs	\$ 3,671,224	33.1%
Capacity-Related Costs	6,693,572	60.3%
Customer-Related Costs	738,776	6.7%
Net Revenue Requirement	\$ 11,103,572	100%

Unadjusted Net Rev. Req'ts.

Total variable: 33%

Total fixed: 67%

Total: 100%

Allocation of Net Revenue Requirements (Water) By Customer Class - FY 2017/18

Financial Plan Alternative:

Customer Class	Cost Classification Components			Cost of Service Net Rev. Reqts	% of COS Net Revenue Reqts
	Commodity (1)	Capacity (2)	Customer (3)		
Residential	\$ 2,570,309	\$ 4,522,605	\$ 654,496	\$ 7,747,410	69.8%
Multi-Family Residential	579,701	979,983	50,307	1,609,991	14.5%
Commercial	42,012	108,718	19,943	170,673	1.5%
Industrial	181,630	296,294	5,211	483,135	4.4%
Landscape/Irrigation	212,713	429,012	1,303	643,028	5.8%
Other systems	33,436	108,130	701	142,267	1.3%
Private Mutual	36,848	182,801	601	220,250	2.0%
Surplus (bulk water sales)	12,435	59,953	301	72,688	0.7%
Vacant	2,140	6,075	5,913	14,127	0.1%
Total	\$ 3,671,224	\$ 6,693,572	\$ 738,776	\$ 11,103,572	100.0%

1. Commodity Costs are allocated based upon percentage of expected consumption.

2. Capacity Costs are allocated based upon Max Month Capacity Factor.

3. Customer Costs are allocated based upon Percentage of Total Accounts.

Current Water Rate Revenue Comparison

Financial Plan Alternative:

Customer Class	Rate Revenue (FY 2014/15)			Total	% of Total <i>a</i>	% of COS Net Revenue Reqts <i>b</i>	Difference <i>= b - a</i>
	Fixed	Variable	Drought Surcharges				
Residential	\$ 2,307,236	\$ 1,694,355	\$ 56,555	\$ 4,058,146	76.3%	69.8%	-6.5%
Multi-Family Residential	310,348	343,692	13,948	667,988	12.6%	14.5%	1.9%
Commercial	95,875	123,522	4,849	224,246	4.2%	1.5%	-2.7%
Industrial	52,597	192,316	3,269	248,181	4.7%	4.4%	-0.3%
Landscape/Irrigation	8,191	21,677	45	29,913	0.6%	5.8%	5.2%
Other systems	3,274	9,018	194	12,487	0.2%	1.3%	1.0%
Private Mutual	8,426	32,276	889	41,591	0.8%	2.0%	1.2%
Surplus (bulk water sales)	-	17,403	249	17,652	0.3%	0.7%	0.3%
Vacant	20,219	1,365	24	21,608	0.4%	0.1%	-0.3%
Total	\$ 2,806,166	\$ 2,435,625	\$ 80,021	\$ 5,321,811	100.0%	100.0%	0.0%
	53%	46%	2%	100%			

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - WATER UTILITY
Customer Data

Water Consumption Data used for San Lorenzo Valley Water District Rates:					
Summary of Consumption by Class	Consumption	meters*	Avg. hcf by Month		
			Annual	Summer	Winter
Residential	444,202	6,531	6	7	5
Multi-Family Residential	100,184	502	17	20	15
Commercial	7,261	199	3	5	2
Industrial	31,389	52	50	57	47
Landscape/Irrigation	36,761	13	236	343	153
Other systems	5,779	7	69	137	21
Private Mutual	6,368	6	88	219	29
Surplus (bulk water sales)	2,149	3	60	92	22
Vacant	370	59	1	1	0
Total	634,462	7,372			

* Number of meters is per SLVWD billing data. Meter count is from February 2016.

FY 2014/15 Approximate Rate Revenue from Water Rates (1)				
Revenue by Customer Class	Fixed Charges	Variable Charges	Drought Surcharges	TOTAL
Residential	\$ 2,307,236	\$ 1,694,355	\$ 56,555	\$ 4,058,146
Multi-Family Residential	\$ 310,348	\$ 343,692	\$ 13,948	\$ 667,988
Commercial	\$ 95,875	\$ 123,522	\$ 4,849	\$ 224,246
Industrial	\$ 52,597	\$ 192,316	\$ 3,269	\$ 248,181
Landscape/Irrigation	\$ 8,191	\$ 21,677	\$ 45	\$ 29,913
Other systems	\$ 3,274	\$ 9,018	\$ 194	\$ 12,487
Private Mutual	\$ 8,426	\$ 32,276	\$ 889	\$ 41,591
Surplus (bulk water sales)	\$ -	\$ 17,403	\$ 249	\$ 17,652
Vacant	\$ 20,219	\$ 1,365	\$ 24	\$ 21,608
Total	\$ 2,806,166	\$ 2,435,625	\$ 80,021	\$ 5,321,811
Fixed vs. Variable %	53%	46%	2%	

1. Rate Revenue For March 2015 - February 2016 from SLVWD billing data.

APPENDIX C – DETAILED SEWER COST-OF-SERVICE TABLES & FIGURES

Appendix C is included under separate cover.

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SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Financial Plan and Reserve Projections

TABLE 1
FINANCIAL PLAN AND SUMMARY OF SEWER REVENUE REQUIREMENTS (1)

SEWER REVENUE REQUIREMENTS SUMMARY	Budget	Projected								
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Sources of Funds										
SEWER REVENUES:										
Sewer Service Charge	100,088	100,088	100,088	100,088	100,088	100,088	100,088	100,088	100,088	100,088
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources of Funds	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088
Uses of Funds										
OPERATING EXPENSES (2):										
PERSONNEL	\$ 20,700	\$ 21,321	\$ 21,961	\$ 22,619	\$ 23,298	\$ 23,997	\$ 24,717	\$ 25,458	\$ 26,222	\$ 27,009
MATERIALS & SERVICES	112,770	116,152	119,638	123,226	126,920	130,724	134,642	138,680	142,835	147,119
Subtotal: Operating Expenses	\$ 133,470	\$ 137,473	\$ 141,599	\$ 145,846	\$ 150,218	\$ 154,721	\$ 159,359	\$ 164,139	\$ 169,057	\$ 174,128
OTHER EXPENDITURES:										
Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Debt Service	-	-	-	-	-	-	-	-	-	-
Rate-Funded Capital Expenses (3)	-	63,880	65,796	67,770	69,803	71,898	74,054	76,276	78,564	80,921
Subtotal: Other Expenditures	\$ -	\$ 63,880	\$ 65,796	\$ 67,770	\$ 69,803	\$ 71,898	\$ 74,054	\$ 76,276	\$ 78,564	\$ 80,921
Total Uses of Water Funds	\$ 133,470	\$ 201,353	\$ 207,395	\$ 213,616	\$ 220,022	\$ 226,618	\$ 233,413	\$ 240,415	\$ 247,622	\$ 255,049
Annual Surplus/(Deficit)	\$ (33,381)	\$ (101,265)	\$ (107,307)	\$ (113,528)	\$ (119,933)	\$ (126,530)	\$ (133,325)	\$ (140,326)	\$ (147,533)	\$ (154,961)
Net Revenue Req't. (Total Uses less Non-Rate Revenue)	\$ 133,470	\$ 201,353	\$ 207,395	\$ 213,616	\$ 220,022	\$ 226,618	\$ 233,413	\$ 240,415	\$ 247,622	\$ 255,049

1. Revenue and expenses for FY 2015/16 through FY 2020/21 were provided by City Staff. Source File: 2016 Sanitation Fund Rate Analysis-2.xlsx.

2. Assumes annual inflation of 4%, beyond FY 2020/21 (file: 2016 Sanitation Fund Rate Analysis.xls).

3. Assumes annual inflation of the 10 year average change in the Construction Cost Index for 2006-2015; applied to estimated future expenditures beyond FY 2020/21. Source: Engineering News Record website (<http://enr.construction.com>).

4. Assumes new rates are implemented July 1, 2017.

TABLE 2
SEWER RESERVE FUND SUMMARY, UN-RESTRICTED RESERVES

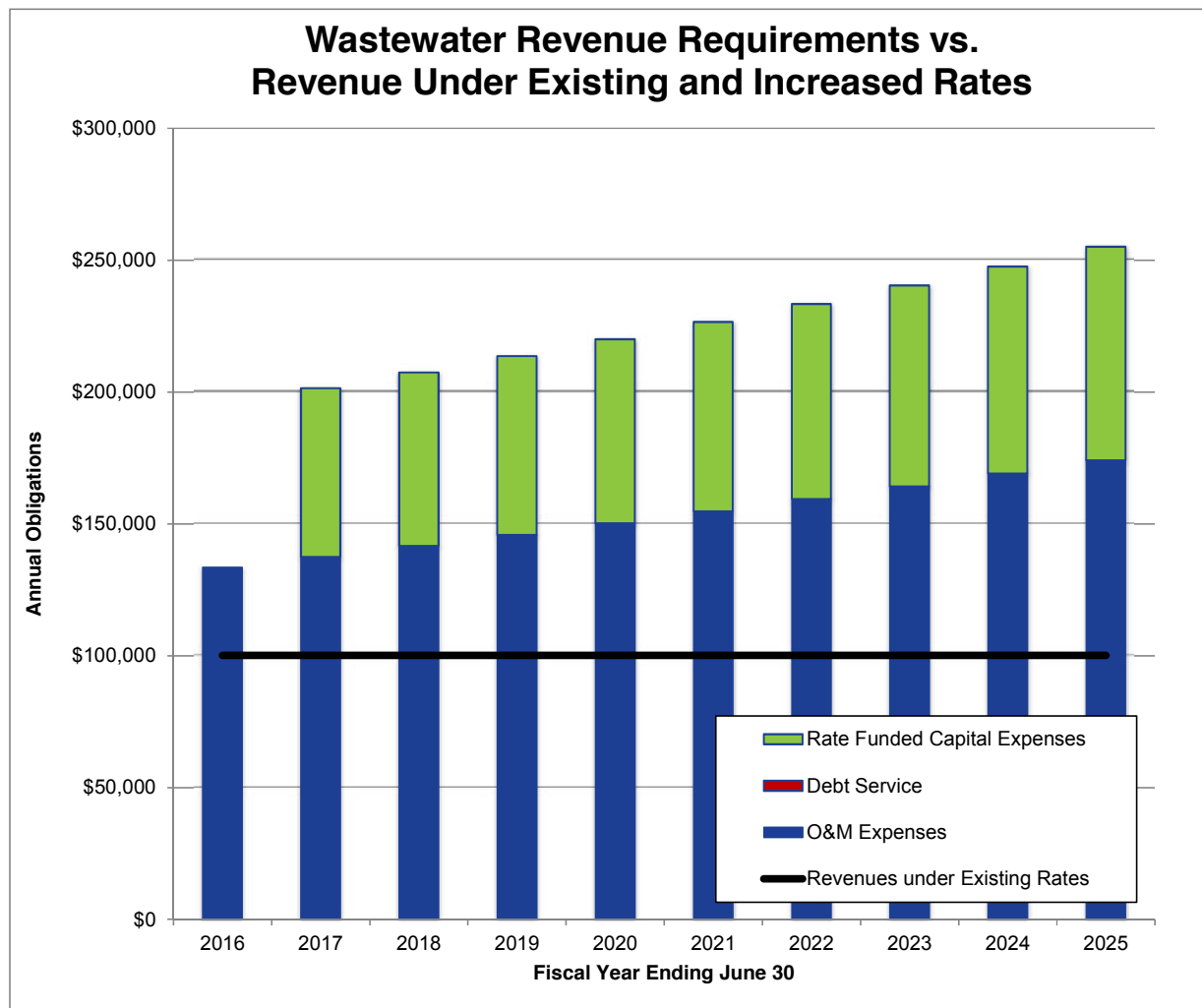
SUMMARY OF CASH ACTIVITY UN-RESTRICTED RESERVES - SEWER	Budget	Projected								
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Total Beginning Cash (1)	\$ -	\$ -								
Un-Restricted Reserves:										
Operating Reserve										
Beginning Reserve Balance	\$ -	\$ (33,381)	\$ (134,646)	\$ (241,953)	\$ (355,480)	\$ (475,414)	\$ (601,944)	\$ (735,269)	\$ (875,595)	\$ (1,023,128)
Plus: Net Cash Flow (After Rate Increases)	(33,381)	(101,265)	(107,307)	(113,528)	(119,933)	(126,530)	(133,325)	(140,326)	(147,533)	(154,961)
Plus: Transfer of Debt Reserve Surplus	-	-	-	-	-	-	-	-	-	-
Less: Transfer Out to Capital Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Ending Operating Reserve Balance	\$ (33,381)	\$ (134,646)	\$ (241,953)	\$ (355,480)	\$ (475,414)	\$ (601,944)	\$ (735,269)	\$ (875,595)	\$ (1,023,128)	\$ (1,178,090)
Target Ending Balance (90 days of O&M)	\$ 33,400	\$ 34,400	\$ 35,400	\$ 36,500	\$ 37,600	\$ 38,700	\$ 39,800	\$ 41,000	\$ 42,300	\$ 43,500
Capital Rehabilitation & Replacement Reserve										
Beginning Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus: Grant Proceeds	-	-	-	-	-	-	-	-	-	-
Plus: Transfer of Operating Reserve Surplus	-	-	-	-	-	-	-	-	-	-
Less: Use of Reserves for Capital Projects	-	-	-	-	-	-	-	-	-	-
Ending Capital Rehab & Replacement Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Target Ending Balance (2)	\$ 89,778	\$ 94,503	\$ 96,205	\$ 97,994	\$ 99,882	\$ 101,888	\$ 104,030	\$ 106,336	\$ 108,841	\$ 111,593
Ending Balance - Excl. Restricted Reserves	\$ (33,381)	\$ (134,646)	\$ (241,953)	\$ (355,480)	\$ (475,414)	\$ (601,944)	\$ (735,269)	\$ (875,595)	\$ (1,023,128)	\$ (1,178,090)
Min. Target Ending Balance - Excl. Restricted Reserves	\$ 123,178	\$ 128,903	\$ 131,605	\$ 134,494	\$ 137,482	\$ 140,588	\$ 143,830	\$ 147,336	\$ 151,141	\$ 155,093
Ending Surplus/(Deficit) Compared to Reserve Targets	\$ (156,560)	\$ (263,549)	\$ (373,558)	\$ (489,974)	\$ (612,896)	\$ (742,531)	\$ (879,099)	\$ (1,022,931)	\$ (1,174,269)	\$ (1,333,183)
Annual Interest Earnings Rate (3)	0.35%	0.35%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.00%

1. Total beginning cash is based on FY 2014/15 ending Fund Balance, as listed in Source File: 2016 Sanitation Fund Rate Analysis-2.xlsx.

2. The Capital Rehabilitation & Replacement Reserve target is set to the annual average of Capital Project expenditures (in future year dollars).

3. Historical interest earning rates were referenced on the CA Treasurer's Office website for funds invested in LAIF. Future years earnings were conservatively estimated through 2021 and phase into the historical 10 year average interest earnings rate.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Financial Plan Charts



SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Financial Plan Charts

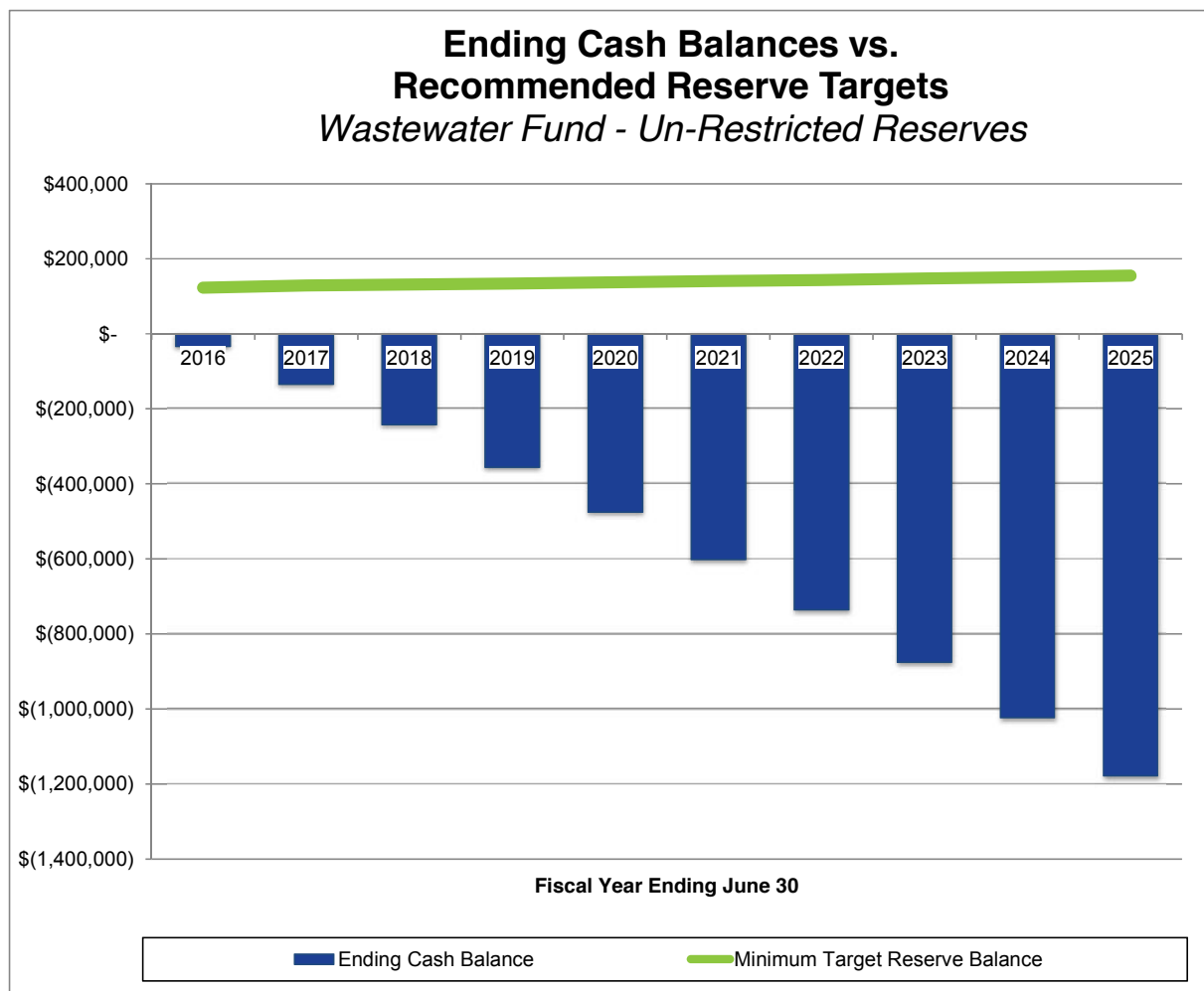


EXHIBIT 1

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY
Operating Revenue and Expenses

SEWER REVENUE FORECAST:

DESCRIPTION (1)	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SEWER REVENUE											
7102 Wastewater Service											
SEWER CHARGES	1	100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088
TOTAL: REVENUE		\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088

SEWER REVENUE SUMMARY:

SEWER REVENUE											
Other Revenues		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Service Charge		\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088
TOTAL: REVENUE		\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088	\$ 100,088

SEWER FUND OPERATING EXPENSE FORECAST (2):

DESCRIPTION - WASTEWATER	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PERSONNEL											
Salaries											
REGULAR SALARIES	3	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572
OVERTIME WAGES	3	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
STANDBY WAGES	3	500	515	530	546	563	580	597	615	633	652
Subtotal		\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493	\$ 22,138	\$ 22,802	\$ 23,486
Benefits											
MEDICAL INSURANCE	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DENTAL INSURANCE	3	-	-	-	-	-	-	-	-	-	-
PERS - RETIREMENT	3	1,300	1,339	1,379	1,421	1,463	1,507	1,552	1,599	1,647	1,696
FICA - SOCIAL SECURITY	3	1,100	1,133	1,167	1,202	1,238	1,275	1,313	1,353	1,393	1,435
WORKERS COMPENSATION	3	-	-	-	-	-	-	-	-	-	-
MEDICARE RETIRED MEDICAL	3	300	309	318	328	338	348	358	369	380	391
SPECIAL CLOTHING	3	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 2,700	\$ 2,781	\$ 2,864	\$ 2,950	\$ 3,039	\$ 3,130	\$ 3,224	\$ 3,321	\$ 3,420	\$ 3,523
Additional Positions											
Fully Loaded Cost of New Position(s)	3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL: PERSONNEL		\$ 20,700	\$ 21,321	\$ 21,961	\$ 22,619	\$ 23,298	\$ 23,997	\$ 24,717	\$ 25,458	\$ 26,222	\$ 27,009
MATERIALS & SERVICES											
ADMIN OVERHEAD ALLOCATION FROM WATER	1	\$ 10,970	\$ 11,298	\$ 11,639	\$ 11,987	\$ 12,344	\$ 12,710	\$ 13,088	\$ 13,479	\$ 13,878	\$ 14,294
CONTRACT/PROFESSIONAL SERVICES	2	\$ 51,000	\$ 52,530	\$ 54,106	\$ 55,729	\$ 57,401	\$ 59,123	\$ 60,897	\$ 62,724	\$ 64,605	\$ 66,543
OUTSIDE WATER ANALYSIS	2	14,600	15,038	15,489	15,954	16,432	16,925	17,433	17,956	18,495	19,050
ADMINISTRATION OVERHEAD	2	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
EQUIPMENT REPLACEMENT FUND	2	-	-	-	-	-	-	-	-	-	-
UTILITIES	2	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133
OPERATING SUPPLIES	2	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
MAINT & OPERATIONS OF VEHICLES	2	500	515	530	546	563	580	597	615	633	652
RENTAL/LEASES/PERMITS	2	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
FACILITIES MAINTENANCE	2	500	515	530	546	563	580	597	615	633	652
COMMUNICATIONS & TELEMETERING	2	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	4,175
OFFICE SUPPLIES (included 5078)	2	-	-	-	-	-	-	-	-	-	-
POSTAGE	2	-	-	-	-	-	-	-	-	-	-
Subtotal		\$ 112,770	\$ 116,152	\$ 119,638	\$ 123,226	\$ 126,920	\$ 130,724	\$ 134,642	\$ 138,680	\$ 142,835	\$ 147,119
TOTAL: MATERIALS & SERVICES		\$ 112,770	\$ 116,152	\$ 119,638	\$ 123,226	\$ 126,920	\$ 130,724	\$ 134,642	\$ 138,680	\$ 142,835	\$ 147,119
GRAND TOTAL: WASTEWATER EXPENSES		\$ 133,470	\$ 137,473	\$ 141,599	\$ 145,846	\$ 150,218	\$ 154,721	\$ 159,359	\$ 164,139	\$ 169,057	\$ 174,128

EXHIBIT 1

**SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY
Operating Revenue and Expenses**

NON-CASH ITEMS, EXCLUDED FROM ABOVE:

DESCRIPTION	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
DEPRECIATION											
Depreciation Expense	2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL: DEPRECIATION		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FORECASTING ASSUMPTIONS:

COST INFLATION FACTORS	Basis	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer Growth	1	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General Cost Inflation	2	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Labor Cost Inflation	3	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Purchases	4	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Energy	5	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Chemicals	6	--	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Fuel	7	--	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
No Escalation	8	--	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

1. Revenues are from the Final Trial Balance on June 30, 2015 from source file: *SLVWD 2015 Working TB.xls* and are actual revenues from FY 14/15.

2. Expenses are from the FY 2015/16 Budget and from source file: *FY1516 BUDGET FINAL.pdf*. All projected expenses are rounded to the nearest \$100.

3. 1.5 percent of Administration budget items are allocated to the sewer utility; per District staff, via email September 2016.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY
Capital Improvement Plan Expenditures

CAPITAL FUNDING SUMMARY - SEWER

CAPITAL FUNDING FORECAST	Budget		Projected							
Sewer Funding Sources:	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Capacity Fee Reserves	-	-	-	-	-	-	-	-	-	-
SRF Loan Funding	-	-	-	-	-	-	-	-	-	-
Use of Future Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Use of Capital Rehabilitation and Replacement Reserve	-	-	-	-	-	-	-	-	-	-
Rate Revenue	-	63,880	65,796	67,770	69,803	71,898	74,054	76,276	78,564	80,921
Total Sources of Capital Funds	\$ -	\$ 63,880	\$ 65,796	\$ 67,770	\$ 69,803	\$ 71,898	\$ 74,054	\$ 76,276	\$ 78,564	\$ 80,921
Uses of Capital Funds:										
Total Project Costs	\$ -	\$ 63,880	\$ 65,796	\$ 67,770	\$ 69,803	\$ 71,898	\$ 74,054	\$ 76,276	\$ 78,564	\$ 80,921
Capital Funding Surplus (Deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Revenue Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL IMPROVEMENT PROGRAM - SEWER

Sewer Capital Improvement Program Costs (1):

Project Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pipes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tanks (including 10% volume contingency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pump Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wells	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	\$ -	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200	\$ 19,200
Diversions	\$ -	\$ 44,680	\$ 44,680	\$ 44,680	\$ 44,680	\$ 44,680	\$ 44,680	\$ 44,680	\$ 44,680	\$ 44,680
Admin/Operations Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Placeholder for Future Year Capital Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total: CIP Program Costs	\$ -	\$ 63,880	\$ 63,880	\$ 63,880	\$ 63,880	\$ 63,880	\$ 63,880	\$ 63,880	\$ 63,880	\$ 63,880

Sewer Capital Improvement Program Costs (in Future-Year Dollars):

Project Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Pipes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tanks (including 10% volume contingency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pump Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wells	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Treatment	\$ -	\$ 19,200	\$ 19,776	\$ 20,369	\$ 20,980	\$ 21,610	\$ 22,258	\$ 22,926	\$ 23,614	\$ 24,322
Diversions	\$ -	\$ 44,680	\$ 46,020	\$ 47,401	\$ 48,823	\$ 50,288	\$ 51,796	\$ 53,350	\$ 54,951	\$ 56,599
Admin/Operations Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Placeholder for Future Year Capital Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total: Capital Improvement Program Costs (Future-Year Dollars)	\$ -	\$ 63,880	\$ 65,796	\$ 67,770	\$ 69,803	\$ 71,898	\$ 74,054	\$ 76,276	\$ 78,564	\$ 80,921

FORECASTING ASSUMPTIONS:

Economic Variables	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Construction Cost Inflation, Per Engineering News Record(2)	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Cumulative Construction Cost Multiplier from 2016	1.00	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27

1. Capital project costs were provided by City Staff in source file: *VWHA_Capital_Asset_Cost_of_Service_9_02_16.pdf*.

2. For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2005-2015 (3.0%). Source: *Engineering News Record website (http://enr.construction.com)*.

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Debt Service

WASTEWATER UTILITY EXISTING DEBT OBLIGATIONS	Budget	Projected								
Annual Repayment Schedules:	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Grand Total: Existing Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total: Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Existing Annual Debt Obligations to be Satisfied by Wastewater Rates:

Existing Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Annual Coverage Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Debt Reserve Target	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Projected Wastewater Rates Under Existing Rate Schedule**

EXHIBIT 4

Current Wastewater Rate Schedule:

Fixed Charges	Current Monthly
Sewer	\$114.00

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Cost of Service Analysis

Classification of Expenses - Sewer									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2017/18	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
PERSONNEL									
PERSONNEL									
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	56%	22%	22%	0%
REGULAR SALARIES	\$ 15,914	\$ 8,912	\$ 3,501	\$ 3,501	\$ -	56%	22%	22%	0%
OVERTIME WAGES	\$ 2,652	\$ 1,459	\$ 530	\$ 530	\$ 133	55%	20%	20%	5%
STANDBY WAGES	\$ 530	\$ 292	\$ 106	\$ 106	\$ 27	55%	20%	20%	5%
Subtotal	\$ 19,096	\$ 10,662	\$ 4,138	\$ 4,138	\$ 159	56%	22%	22%	1%
Benefits									
MEDICAL INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	55%	20%	20%	5%
DENTAL INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	55%	20%	20%	5%
PERS - RETIREMENT	\$ 1,379	\$ 759	\$ 276	\$ 276	\$ 69	55%	20%	20%	5%
FICA - SOCIAL SECURITY	\$ 1,167	\$ 642	\$ 233	\$ 233	\$ 58	55%	20%	20%	5%
WORKERS COMPENSATION	\$ -	\$ -	\$ -	\$ -	\$ -	55%	20%	20%	5%
MEDICARE RETIRED MEDICAL	\$ 318	\$ 175	\$ 64	\$ 64	\$ 16	55%	20%	20%	5%
SPECIAL CLOTHING	\$ -	\$ -	\$ -	\$ -	\$ -	56%	22%	22%	0%
Subtotal	\$ 2,864	\$ 1,575	\$ 573	\$ 573	\$ 143	55%	20%	20%	5%
TOTAL: PERSONNEL	\$ 21,961	\$ 12,237	\$ 4,710	\$ 4,710	\$ 302	56%	21%	21%	1%
MATERIALS & SERVICES									
ADMIN OVERHEAD ALLOCATION FROM WATER (3)	\$ 11,639	\$ 6,401	\$ 2,328	\$ 2,328	\$ 582	55%	20%	20%	5%
CONTRACT/PROFESSIONAL SERVICES	\$ 54,106	\$ 29,758	\$ 10,821	\$ 10,821	\$ 2,705	55%	20%	20%	5%
OUTSIDE WATER ANALYSIS	\$ 15,489	\$ 8,519	\$ 3,098	\$ 3,098	\$ 774	55%	20%	20%	5%
ADMINISTRATION OVERHEAD	\$ 4,244	\$ -	\$ -	\$ -	\$ 4,244	0%	0%	0%	100%
EQUIPMENT REPLACEMENT FUND	\$ -	\$ -	\$ -	\$ -	\$ -	55%	20%	20%	5%
UTILITIES	\$ 7,426	\$ 4,084	\$ 1,485	\$ 1,485	\$ 371	55%	20%	20%	5%
OPERATING SUPPLIES	\$ 6,365	\$ 3,501	\$ 1,273	\$ 1,273	\$ 318	55%	20%	20%	5%
MAINT & OPERATIONS OF VEHICLES	\$ 530	\$ 292	\$ 106	\$ 106	\$ 27	55%	20%	20%	5%
RENTAL/LEASES/PERMITS	\$ 15,914	\$ 8,752	\$ 3,183	\$ 3,183	\$ 796	55%	20%	20%	5%
FACILITIES MAINTENANCE	\$ 530	\$ 292	\$ 106	\$ 106	\$ 27	55%	20%	20%	5%
COMMUNICATIONS & TELEMETERING	\$ 3,395	\$ 1,867	\$ 679	\$ 679	\$ 170	55%	20%	20%	5%
OFFICE SUPPLIES (included 5078)	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	100%
POSTAGE	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	100%
Subtotal	\$ 119,638	\$ 63,467	\$ 23,079	\$ 23,079	\$ 10,013	53%	19%	19%	8%
TOTAL: MATERIALS & SERVICES	\$ 119,638	\$ 63,467	\$ 23,079	\$ 23,079	\$ 10,013	53%	19%	19%	8%
GRAND TOTAL: WASTEWATER EXPENSES	\$ 141,599	\$ 75,704	\$ 27,789	\$ 27,789	\$ 10,316	53%	20%	20%	7%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Cost of Service Analysis

Classification of Expenses - Sewer, continued									
Budget Categories	Total Revenue Requirements	Flow	Strength		Customer	Basis of Classification			
	FY 2017/18	(VOL)	(BOD)	(TSS)	(CA)	(VOL)	(BOD)	(TSS)	(CA)
Debt Service Payments									
Existing Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	50%	25%	25%	0%
Future Annual Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	50%	25%	25%	0%
Total Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%	0%	0%
Capital Expenditures									
Rate Funded Capital Expenses	\$ 65,796	\$ 32,898	\$ 16,449	\$ 16,449	\$ -	50%	25%	25%	0%
TOTAL REVENUE REQUIREMENTS	\$ 207,395	\$ 108,603	\$ 44,238	\$ 44,238	\$ 10,316	52%	21%	21%	5%
Less: Non-Rate Revenues									
SEWER REVENUE									
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	52%	21%	21%	5%
Sewer Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	52%	21%	21%	5%
NET SEWER REVENUE REQUIREMENTS	\$ 207,395	\$ 108,603	\$ 44,238	\$ 44,238	\$ 10,316				
Allocation of Sewer Revenue Requirements	100.0%	52.4%	21.3%	21.3%	5.0%				
<i>Net Revenue Req. Check from Financial Plan \$ -</i>									

Classification of Expenses - Sewer, continued					
Adjustments to Classification of Expenses					
Adjustment to Current Rate Level:	Total	(VOL)	(BOD)	(TSS)	(CA)
FY 2017/18 Target Rate Revenue	\$140,124				
Projected Rate Revenue at Current Rates	\$100,088				
Adjusted Sewer Net Revenue Requirements	\$ 140,124	\$ 73,376	\$ 29,889	\$ 29,889	\$ 6,970
<i>Percent of Revenue</i>		52.4%	21.3%	21.3%	5.0%

SAN LORENZO VALLEY WATER DISTRICT
ENTERPRISE WIDE COST OF SERVICE FINANCIAL STUDY - SEWER UTILITY
Wastewater Cost of Service Analysis

Development of the BASE CAPACITY Allocation Factor (1) - Sewer					
Customer Class	Number of Accounts	Monthly Average Consumption	Estimated Annual Volume Total (HCF)	Adjusted Annual Volume Total (HCF)	Percentage of Adjusted Volume
Residential	55	292	3,505	3,505	100.0%
Grand Total:	55		3,505	3,505	100.0%
<i>3,505 Flow (cct/yr.)</i> <i>1.00 Flow Adj. Factor</i>					

1. Consumption data is based on SLVWD water customer data; several months of consumption have been approximated.

Development of the Strength Allocation Factor - Sewer									
Customer Class	Biochemical Oxygen Demand (BOD)					Total Suspended Solids (TSS)			
	Annual Flow (gallons)	Average Strength Factor (mg/l) (1)	Calculated BOD (lbs./yr.)	Adjusted BOD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) (1)	Calculated TSS (lbs./yr.)	Adjusted TSS (lbs./yr.)	Percent of Total
Residential	2,621,915	200	4,373	4,373	100.00%	200	4,373	4,373	100.00%
Grand Total:	2,621,915		4,373	4,373			4,373	4,373	
<i>Target, from WWTP Data</i> <i>4,373 BOD (lbs./yr.)</i> <i>1.000 BOD Adj. Factor</i>									
<i>4,373 TSS (lbs./yr.)</i> <i>1.000 TSS Adj. Factor</i>									

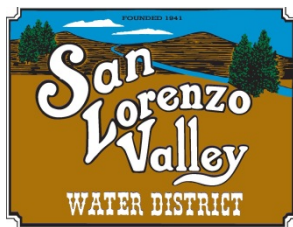
1. Average strength factors for BOD and TSS are derived from the State Water Resources Control Board Revenue Program Guidelines, Appendix G.

Capacity Related Costs: Costs associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.

Development of the Customer Allocation Factor - Sewer		
Customer Class	Number of Accounts	Percent of Total
Residential	55	100.00%
Grand Total:	55	100.00%

Allocation of FY 2017/18 Revenue Requirements by Customer Class - Sewer						
Customer Class	Cost Classification Components				Cost-of-Service Net Revenue Reqts.	% of COS Net Revenue Reqts
	Volume	Treatment		Customer Related		
		BOD	TSS			
Net Revenue Requirements (1)	\$ 73,376	\$ 29,889	\$ 29,889	\$ 6,970	\$ 140,124	--
	52.4%	21.3%	21.3%	5.0%	100.0%	
SINGLE FAMILY	\$ 73,376	\$ 29,889	\$ 29,889	\$ 6,970	\$ 140,124	100.0%
TOTAL	\$ 73,376	\$ 29,889	\$ 29,889	\$ 6,970	\$ 140,124	100%

1. Revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.



COST OF SERVICE STUDY – CAPITAL PROJECT NEEDS ASSESSMENT



San Lorenzo Valley Water District
August 2016

Prepared by



V.W. HOUSEN
& ASSOCIATES

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EXECUTIVE SUMMARY

The San Lorenzo Valley Water District (District or SLVWD) serves the communities of Boulder Creek, Brookdale, Ben Lomond, Felton and portions of Scotts Valley in Santa Cruz County. Figure ES-1 provides a map developed by the Local Agency Formation Commission (LAFCO) showing the District's service area.

In August 2016, V. W. Housen & Associates (VWHA), as a subconsultant to NBS Financial Services, completed the capital asset replacement component of the District's Cost of Service Study. The capital asset replacement component documents existing water supply, treatment, storage, and distribution assets to the extent possible, given the limited data available; reviews the effectiveness of SLVWD's current Capital Improvement Program (CIP) in reference to the goals established in the 2015 Strategic Plan; provides a concept level valuation of the District's capital assets; presents findings regarding the general condition of these assets; and provides recommendations for future evaluations needed to further review the cost of service.

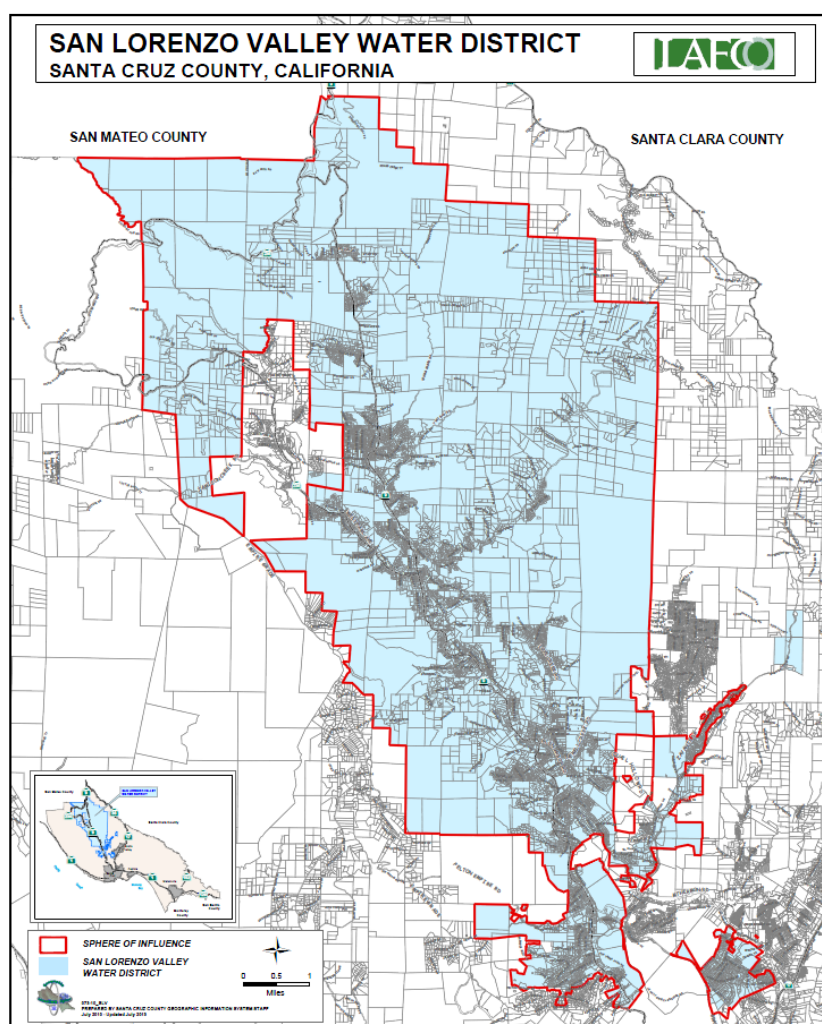


Figure ES-1. San Lorenzo Valley Water Service Area

Aging infrastructure is the District's primary concern when establishing and prioritizing capital project needs. The age and condition of existing infrastructure are further influenced by factors such as topography, isolation of some communities, and challenging vehicular access throughout the service area. Most of the distribution mains and associated water infrastructure were installed during or prior to the 1950s. Therefore, the mean age of linear assets is approximately 65 years old. The oldest facilities in the service area have reached the end of their expected service life. A large portion of the system will approach the end of its service life in the next two decades.

ES-1 WATER AND WASTEWATER ASSETS

SLVWD serves a population of approximately 20,000 through 7,800 service connections. The District's average water production is 2.0 million gallons per day (mgd). Residential water use accounts for 85 percent of customer deliveries.

SLVWD has two sources of supply: local groundwater and local surface water. SLVWD owns, operates and maintains four distinct water systems referred to as North, South, Felton and Mañana Woods Systems.

SLVWD's distribution system, also summarized in Table ES-1, consists of 32 pressure zones, 144 miles of pipeline, 35 treated water tanks and reservoirs, and 31 booster pump stations. The District operates and maintains the Lyon Water Treatment Plant (1,200 gallons per minute or gpm) and the Kirby Water Treatment Plant (350 gpm). The Lyon Water Treatment Plant serves the North System and the Kirby Water Treatment Plant serves the Felton System.

Table ES-1. System Assets

Summary Of System Assets
144 miles of pipeline, ranging from 2- to 14-inches in diameter
35 water storage tanks and reservoirs
2 drinking water treatment plants
32 pressure zones and 31 pump stations
10 active surface water diversions
10 groundwater wells
3 operations/administration buildings

Local groundwater is supplied by seven wells located in three different well fields that access a single primary aquifer (Lompico Sandstone) and a secondary aquifer (Santa Margarita Sandstone). Average production is approximately 1,000 acre-feet per year, which supplies 40 to 60 percent of SLVWD's water demands.

SLVWD's surface water is supplied by intakes on small streams that are primarily available during the winter and spring months and are directly dependent upon local precipitation. Typically, surface water

diversions account for approximately half of SLVWD's supply. However, in above-average rainfall years, surface water diversions can potentially address 100 percent of demand. When the seasonal nature of area rainfall and limited surface water storage require supplemental supplies, groundwater is used to augment supply (typically during fall and early winter months).

SLVWD's distribution system pipeline diameters range from 2-inch to 14-inch. Over half the pipelines are 4 inches in diameter or less. Water pressure issues have been reported, and water supply availability for fireflow can be challenging in many areas.

In June 2016, the District annexed the Lompico water system. The system serves 500 connections in the Lompico Creek canyon area. Existing infrastructure consists of six redwood tanks, two water treatment plants, four wells, one pump station, nine pressure-reducing valves, and three miles of water mains.

The District also provides wastewater collection and treatment for 56 parcels, which comprise approximately half of the parcels within the Bear Creek Estates subdivision. The wastewater collection system and a septic disposal system were constructed in 1985. Subsequently, in 2005, the septic system was converted to enable nitrogen removal as required by the Regional Water Quality Control Board.

ES-2 ASSET VALUATION

A conceptual valuation of the District's assets, using available information and assigning representative costs for each asset class, is \$145 million. The valuation per asset class is shown in Table ES-2.

Table ES-2. ASSET VALUATION BY CLASS

Asset Class	Amount	Unit	Unit Price	Facility Value	Design Life (Years)
Pipelines	760,320	Linear foot	\$70	\$53,222,400	70-100
Tanks	9,240,000	Gallon	\$3	\$27,720,000	50-70
Pump Stations	31	Each	\$1,000,000	\$31,000,000	20-30
Wells	10	Each	\$1,500,000	\$15,000,000	20
Treatment Plants	2,360,480	Gallon	\$2.50	\$5,901,200	25
Diversions	10	Each	\$375,000	\$3,750,000	50
Ops/Admin Bldgs	3	Square-foot	\$112.44	\$8,147,604	60
Total Assets				\$144,741,204	

Due to the limit amount of information that was available on asset age, condition, and replacement schedule, the current valuation relied upon numerous assumptions and general rules of thumb for asset life, asset costs, and replacement schedules. These values should be refined through more detailed

planning studies that are recommended for completion during the first three years of the capital improvement program.

ES-3 FINDINGS AND RECOMMENDATIONS

Table ES-3 on the following page presents findings regarding the capital replacement component of the District's Cost of Service study. These findings are discussed in further detail within this report. Table ES-3 references the applicable section of the report for each of the findings.

ES-4 CONCLUDING REMARKS

VWHA has developed a preliminary valuation for the District capital assets, and has assigned general replacement timelines for each asset class. The replacement schedule is conceptual in nature, and was developed to provide information to inform the District's Cost of Service study.

Based on this initial valuation and replacement schedule, future average annual budgeting of \$2.6 to \$3.6 million in current dollars for next 30 years would allow SLVWD to complete necessary replacements while reducing risk. Beyond this timeframe, average annual spending is projected to decrease by approximately half. This initial valuation and schedule were developed using limited information regarding existing asset age and condition. The projections should be refined further, as additional asset and operations/maintenance data are compiled and recorded.

VWHA has also established an interim capital replacement plan using the District's current CIP as a basis. During the first three years of this interim plan, it is recommended that the District conduct more detailed facility master planning in order to more accurately identify, estimate costs, and prioritize future capital replacement needs. The most important activity to undertake in the next three years is the implementation of an asset management approach for pipelines, storage, and pumping plant asset rehabilitation and replacement.

TABLE ES-3. FINDINGS AND RECOMMENDATIONS

Findings, Including Reference Section	Recommendation
The current Water Treatment System requires a comprehensive planning document that outlines all of the aspects of the system and potential costs of improving the system. (Pg. 10)	Develop a Treatment Master Plan for the two Water Treatment Plants and the Wastewater Treatment Plant to provide documentation of the current facilities, conditions, compliance documentation, potential maintenance costs, potential capital replacement projects and associated costs.
Above-ground pipelines are prone to vandalism and other issues that could damage their structural integrity. (Pg. 10-11)	Perform a physical assessment of each intake as well as a physical inventory of visible pipelines.
San Lorenzo Valley Water District is planning to integrate the Loch Lomond supply into its system. (Pg 11-13)	Update the scope and cost estimates for the Loch Lomond Reservoir Source Development Study and seek grant funding for a joint project with Scotts Valley WD. Also, evaluate the effectiveness of the Mill Creek surface water diversion and review alternatives.
Currently, the SLVWD has a lack of surface water storage. Water is pumped, diverted, and treated according to immediate demands. Also, storage tanks require inspection to determine if they are at risk of failure. (Pg. 13)	Review tank inspection reports and evaluate the condition of exterior coatings, interior liners, and roofs to assess each tank’s condition. Determine the highest-priority replacement candidates, as well as establish storage volume criteria for each system and zone.
The District should complete assessments for the 28 booster pump stations to help identify deficiencies and determine the current state of each facility. Assessments should include mechanical equipment, structural issues, ventilation, entrance/security, safety issues, electrical, and communication systems. (Pg. 13-14)	Perform a physical assessment of booster pump stations by system to identify and prioritize necessary repairs/replacements.
SLVWD owns and maintains approximately 144 miles of distribution pipeline. Due to issues presented by terrain, topography, and isolated communities, the system should be assessed and projects prioritized based on risk. For example, landslide risk and having sufficient fire flow are of concern (Pg. 14-15)	Develop a risk-based Linear Asset Management Plan that includes collecting and reviewing asset data, including O&M data, and integrating this information into a GIS database. Use this information to prioritize new pipeline replacements. Consider stockpiling spare pipeline materials in case of emergency.
SLVWD recently annexed the Lompico County Water District and its aging infrastructure. Challenging topography, the remote location, and narrow roadways will likely increase the costs of improving the infrastructure. (Pg. 15-16)	Perform system inspections to identify potential infrastructure upgrades that may include tank consolidation, wellhead repair, service lateral replacement, SCADA and automation system implements, and pump station installations.
Scotts Valley Water District and San Lorenzo Valley Water District share the same groundwater basin; this knowledge must be considered when managing groundwater use. Continued groundwater overdraft is a risk if the two agencies do not work together to manage use. SLVWD’s operations have a major influence on the regional groundwater table and may directly impact SLVWD’s ability to pump from the aquifer. (Pg. 16-17)	Continue evaluation of options for groundwater recharge/replenishment through additional use of surface water diversions or a long-term project. This issue is critical due to the long-term drop in water levels in the Pasatiempo Wellfield and the continued use of the basin by Scotts Valley WD. In addition, establish a database of private wells in the groundwater basin to begin GW management activities.
The District conducted an assessment of the Bear Creek Estates wastewater collection and treatment system in response to recent action by the Central Coast RWQCB. (Pg. 17)	Implement initial improvements recommended by the District’s consultant, IEC, that include: complete smoke testing of remaining property, install manhole inserts, epoxy seal manholes, replace 195 LF of sewer pipeline. Also, develop a Sanitary Sewer Management Plan for the Bear Creek Treatment System.

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CAPITAL ASSET SUMMARY AND VALUATION

1.0 INTRODUCTION

San Lorenzo Valley Water District (SLVWD or District) was established in 1941 in the mountains of Santa Cruz County. The District serves the communities of Boulder Creek, Brookdale, Ben Lomond, portions of Felton, portions of the City of Scotts Valley and surrounding unincorporated areas, and provides a combination of water and wastewater services to all or parts of its service area. SLVWD serves a population of approximately 20,000 through 7,800 service connections. Figure 1 shows the District's service area, as provided by the Local Area Formation Committee (LAFCO) in their document titled, "San Lorenzo Valley Water District."

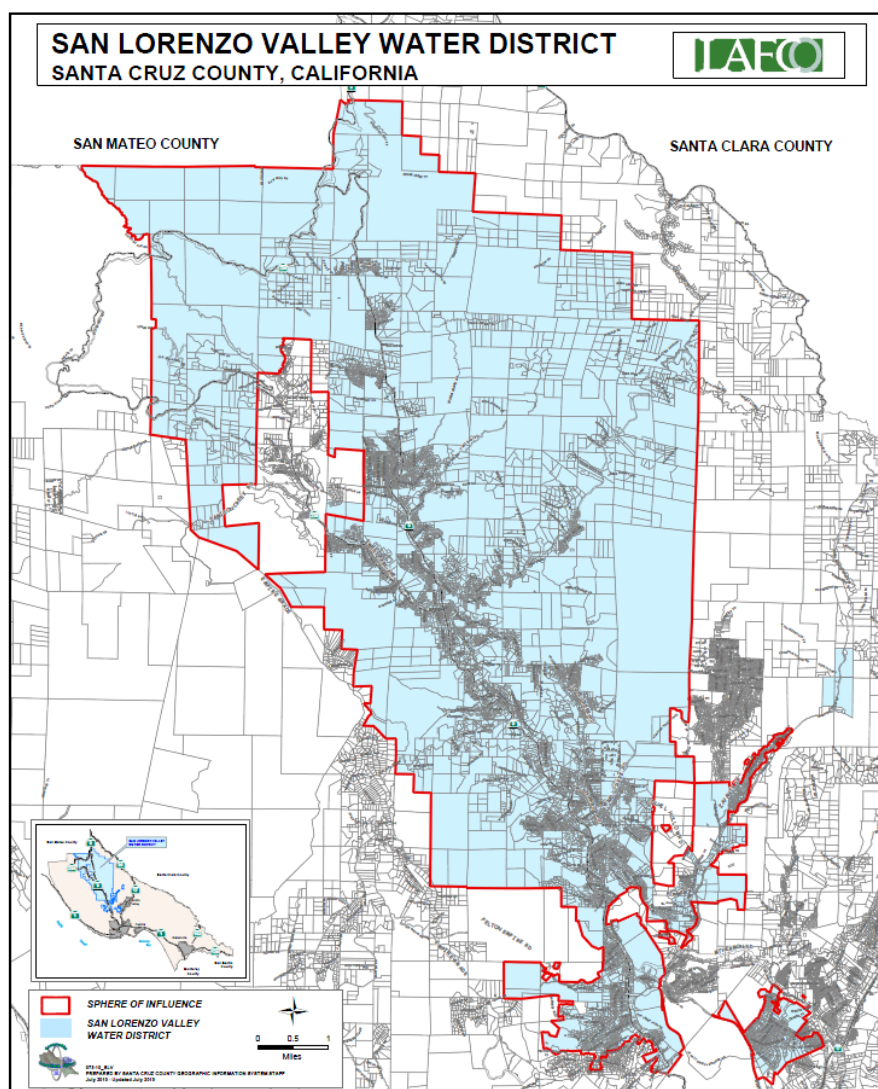


Figure 1 – San Lorenzo Valley Water Service Area

In 2015, SLVWD authorized a contract with NBS Consultants to complete a cost of service study for its domestic water services. NBS subcontracted with V. W. Housen & Associates, Inc. (VWHA), to

complete an assessment of the District's current capital needs and priorities, in support of this effort. Separate analyses were completed by others related to staffing and policies. This report summarizes the work completed by VVWA for the capital needs assessment.

This Technical Memorandum is organized as follows:

1. Introduction
2. Purpose
3. Background Information
4. Water and Wastewater System Descriptions
5. Summary of Findings
6. Recommendation for update of District's CIP

2.0 PURPOSE

The purpose of the CIP assessment is to document SLVWD's existing water supply, treatment, storage and distribution assets; evaluate the CIP's efficacy as it relates to goals established by the SLVWD in the 2015 Strategic Plan for capital improvements and reliability; determine the CIP's effectiveness as a tool for managing the SLVWD's infrastructure; and provide recommendations on how to improve the CIP planning process. This evaluation included an initial program to identify, evaluate, and prioritize the District's current and future capital needs.

3.0 BACKGROUND INFORMATION

The CIP assessment approach included compilation and review of a range of source material, and evaluation of this background material in the context of the 2015 Strategic Plan goals

The compilation of background information for the capital program assessment began with knowledge transfer through a full-day field tour of existing facilities and associated discussions with the District's operation, maintenance, and management staff to understand facility and system needs. Additional research and review of publicly available District documents followed this field tour. Documents reviewed included financial background, planning and engineering documents, various agreements, and reports, meeting notes, and other documentation related to water and wastewater service and infrastructure. These documents are summarized below.

Financial information reviewed by the project team included the following:

- 2010 10-year Capital Improvement Plan (CIP)
- 2015/16 adopted budget (including the 1 year CIP)
- 2015 Final CIP Project List
- September 2015 Draft 2015 CIP Work Plan Board Presentation

Planning and Engineering documents reviewed included:

- SLVWD 2015 Strategic Plan
- 2009 Water Supply Master Plan
- 2015 Urban Water Management Plan
- SLVWD Initial Study/Mitigated Negative Declaration for the Interties Project

- San Lorenzo Valley and North Coast Watersheds Sanitary Survey
- Loch Lomond Reservoir Source Development Study
- Lompico Final Engineer's Report
- Pro Forma Budget for Lompico Water System Merger
- Executive Officer's Report for the Lompico Merger
- California Department of Public Health Enforcement Action letters for the Lompico System.

The source material listed above was reviewed against the adopted 2015 CIP, the Final CIP Project List (2015), and the adopted 2015 Strategic Plan to evaluate whether the District's planned capital spending is aligned with its strategic goals.

4.0 WATER AND WASTEWATER SYSTEM DESCRIPTIONS

SLVWD owns, operates and maintains four distinct water systems referred to as North, South, Felton and Mañana Woods Systems. The District's current daily average water production is 2.0 million gallons per day (mgd). Residential water use accounts for 85% of customer deliveries, from two sources of supply: local groundwater and local surface water.

The District's distribution system consists of 32 pressure zones, 144 miles of pipeline, 35 treated water tanks and reservoirs, and 31 booster pump stations. These assets are summarized in Table 1 below. The District operates and maintains the Lyon Water Treatment Plant (1,200 gallons per minute (gpm)) and the Kirby Water Treatment Plant (350 gpm) for the treatment of surface and groundwater supplies. The Lyon Water Treatment Plant serves the North System and the Kirby Water Treatment Plant serves the Felton System. According to the District's Urban Water Management Plan (UWMP), the annual water production from all sources is approximately 14 percent greater than metered water deliveries.

Table 1. Summary Of System Assets (Excluding Lompico)
144 miles of pipeline, ranging from 2- to 14-inches in diameter
35 water storage tanks and reservoirs
2 drinking water treatment plants
32 pressure zones and 31 pump stations
10 active surface water diversions
10 groundwater wells
3 operations/administration buildings

SLVWD has grown over time, as the result of acquisition of or consolidation with neighboring water purveyors. Most recently, the Lompico community's water system was annexed by SLVWD. Prior to this annexation, the town of Felton was consolidated into the distribution system in 2008, and the community of Mañana Woods was consolidated into the South Service area in 2006. This history has led to District's current configuration of multiple, substantially independent water systems rather than a single

consolidated system. The System Diagram included as Figure 2 shows the District's individual water systems and the locations of the two water treatment plants.

4.1 Individual Water Systems

Seven surface water intakes and two well fields provide supply to the North System's Lyon Water Treatment Plant (WTP). The Lyon WTP is a two-stage package filtration plant that uses floating media to remove floc particles followed by granular media filtration and chemical disinfection. The plant has two TM-350 Tri-Mite® Package Plant treatment units rated at 350 gpm or 0.5 mgd, and a plant capacity of 1,150 gpm.

The South System includes groundwater from two wells in the Pasatiempo Wellfield. The wells draw from the Lompico Sandstone and produce between 155 and 255 acre-feet per year (Master Plan). Rainfall on exposed Santa Margarita Sandstone recharges groundwater tapped by the Pasatiempo wells.

Four surface water intakes provide supply to the Felton System's Kirby WTP. The Kirby WTP supplies 1.3 million gallons of water per day to the Felton system.

The Mañana Woods Area is located near the Camp Evers neighborhood of Scotts Valley. The Mañana Woods system was annexed by the District in 2006 and is served by a single well in the Mañana Woods wellfield off Kings Village Road

The individual water systems are joined for reliability through a number of pipeline interties. The attached System Diagram shows the current interties, which are described further below.

The North System and Felton System are connected by a single 8-inch pipeline connection which provides limited hydraulic connectivity, yet additional supply reliability to the Felton System. It should be noted that water from the Felton Water System has a limited place-of-use, according to the Urban Water Management Plan, which does not allow beneficial use outside the town of Felton. "Place-of-use" is established by the State in Felton's water right permit and limits the area where water can be distributed. In this context, the place-of-use is within the Felton town limits. Changing the place of use would require action by the State Water Resources Control Board.

A recently-completed pipeline project connects the South System to the Felton System to provide supply reliability to the South System. This connection is particularly important to the long term viability of the Pasatiempo wellfield. The Pasatiempo wellfield water level has dropped approximately 60 feet over the past 30 years. The connection to the Felton System could allow some groundwater recharge during both average and above average rainfall years, as Felton can now supply local surface water into the South System in lieu of groundwater supplies.

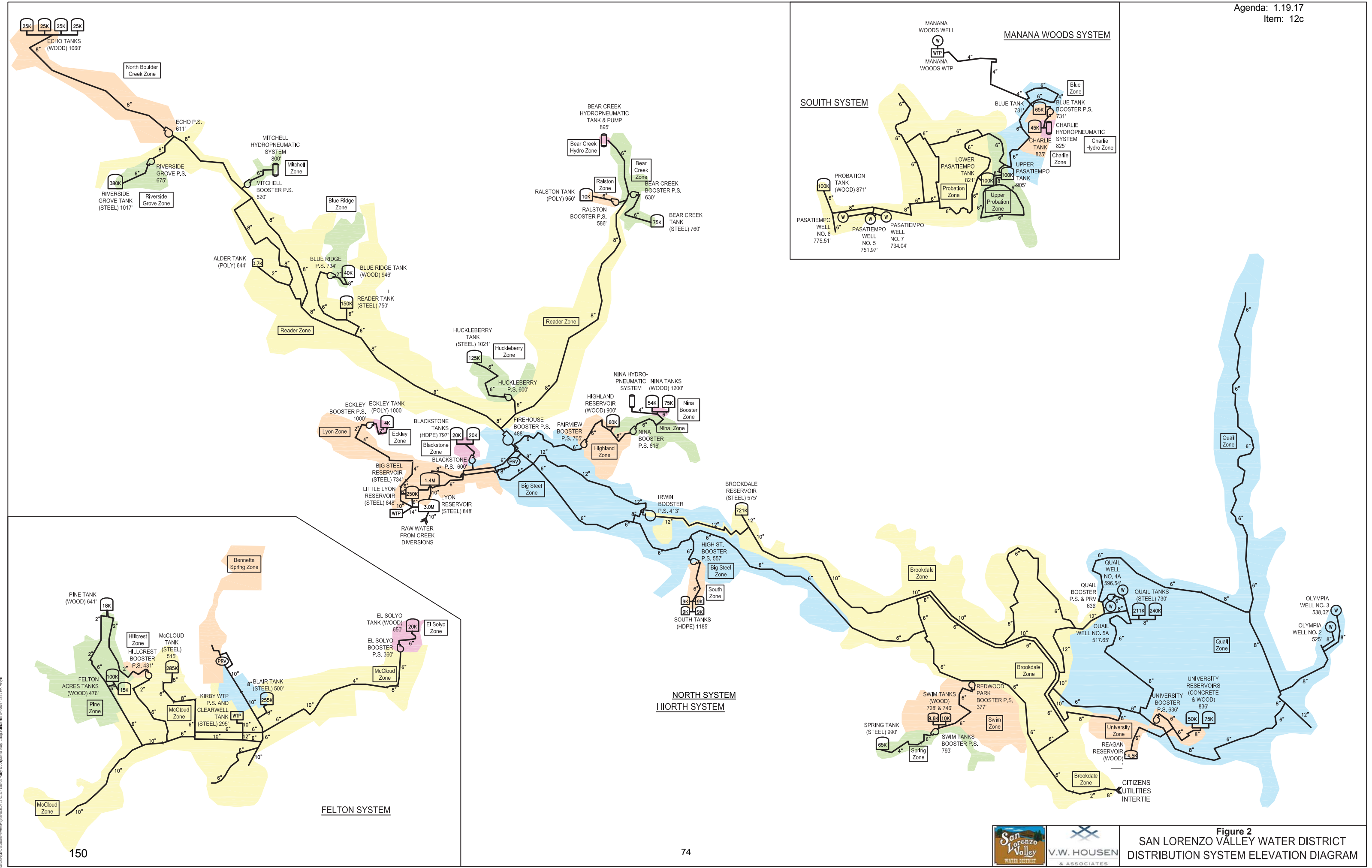


Figure 2
SAN LORENZO VALLEY WATER DISTRICT
DISTRIBUTION SYSTEM ELEVATION DIAGRAM



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The South System is also connected to the Mañana Woods System. This system has one 6-inch intertie. Both systems draw water from the same aquifer, and each has a dedicated well field. The intertie serves to improve redundancy if one of the wells needs to be taken off-line for maintenance. Due to the restrictions in place of use for the Felton System's surface water flows and the limited interties between different parts of the service area, SLVWD's customers may experience different levels of water shortage and consequent water use restrictions, voluntary or otherwise, even with these interties in place.

4.2 Groundwater Supply

SLVWD supplies groundwater through seven wells located in three different well fields. The majority of the wells access a single primary aquifer (Lompico Sandstone), and two wells access a second aquifer (Santa Margarita Sandstone). Total average production is approximately 1,000 acre-feet per year. Groundwater typically supplies 40 to 60 percent of the District's water demands. The recent acquisition of the Lompico Water System adds three wells to the District's inventory. However, none of the Lompico wells are currently in service due to water quality issues and required maintenance. Table 2 lists the District's active wells.

Table 2. SLVWD Wells

Service Area	Well Name	Max Capacity (gpm)
North	Quail Hollow 4A	360
	Quail Hollow 5A	185
	Olympia 2	495
	Olympia 3	430
South	Pasatiempo 6	285
	Pasatiempo 7	280
	Mañana Woods 2	60
Lompico	Well 01	4
	Well 05	18
	Well 7A	28

Over the past several decades, withdrawals from the Lompico Sandstone formation have exceeded natural recharge. As a result, a cone of depression has formed and water levels have fallen approximately 60 feet at the Pasatiempo Wellfield site. Figure 3 shows this cone of depression. Recommendations to help alleviate this condition are discussed in Section 4.1.8.

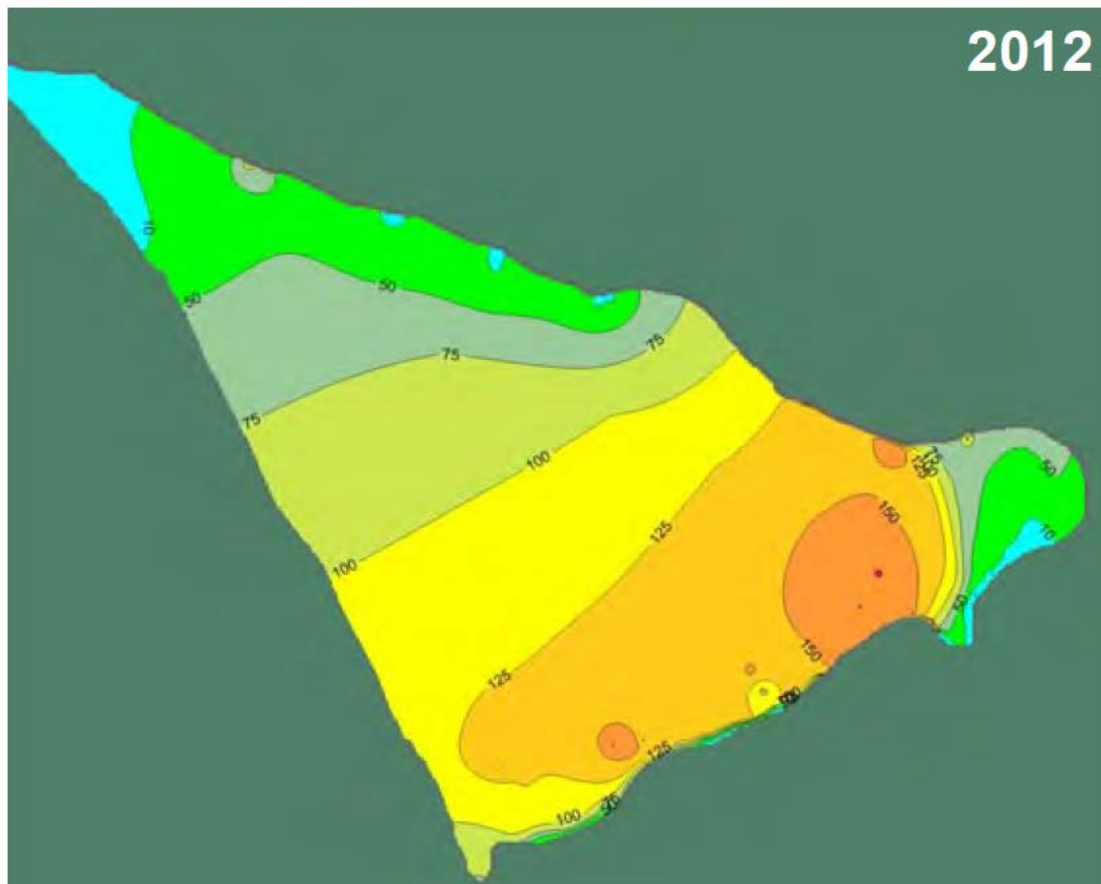


Figure 3. 2012 Groundwater Cone of Depression (Plan View).

In addition to the publicly-managed groundwater supplies, numerous private water wells in the service area and surrounding lands draw from the Lompico Sandstone formation. The County of Santa Cruz has information on the initial construction of private wells including location and depth of these wells. SLVWD is actively participating with Scotts Valley Water District and County of Santa Cruz to develop a Groundwater Sustainability Agency, with the authority to better manage this private well use within the groundwater basin.

4.3 Surface Water Supply

SLVWD's surface water source is supplied through a series of intakes in small surface water streams that are primarily available during the winter and spring. The amount of surface water available for diversion is dependent on local precipitation. SLVWD has pre-1914 surface water rights for its active diversions on Peavine, Silver, Foreman, Clear, Sweetwater Creeks. Figures 4 and 5 show the North System and Felton stream diversions respectively.

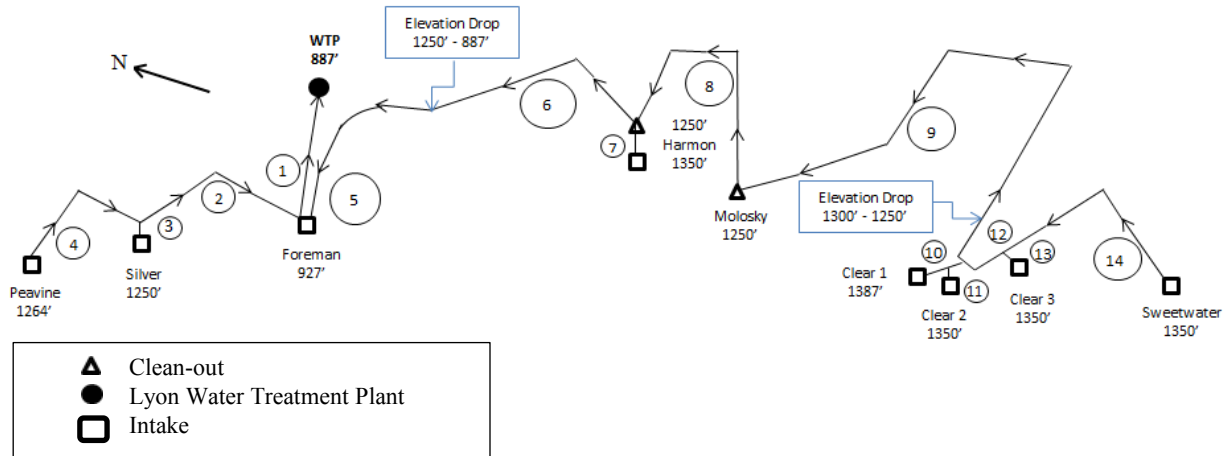


Figure 4. SLVWD North System Schematic Pipeline Layout

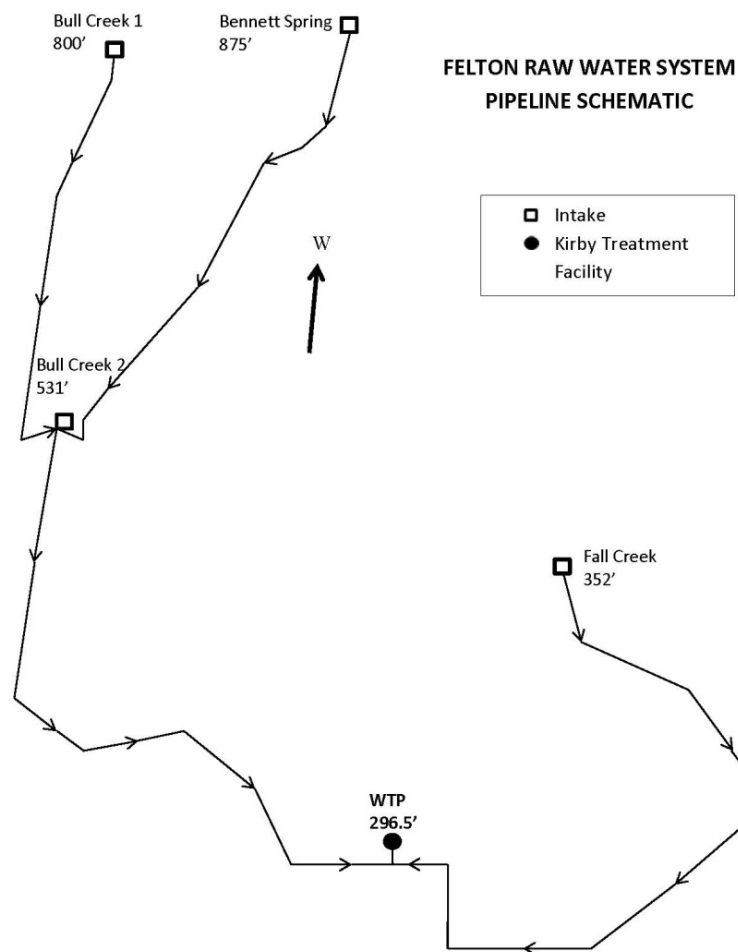


Figure 5. SLVWD Felton System Schematic Pipeline Layout

Table 3 lists the various intakes, elevations, status, and affiliated water system. In addition to the intake locations shown, SLVWD has pre-1914 surface water rights on inactive diversions on Harmon, Earl, and Manson Creeks.

Table 3. District's Water Intake Locations

Intake	Elevation (Feet)	Status	System
Peavine	1264	Active	North
Silver	1250	Active	North
Foreman	927	Active	North
Harmon	1350	Inactive	North
Malosky	1250	Inactive – no facilities	North
Clear 1	1387	Active	North
Clear 2	1350	Active	North
Clear 3	1350	Active	North
Sweetwater	1350	Active	North
Fall Creek	352	Active	Felton
Bennett Spring	875	Active	Felton
Bull Creek 1	800	Active	Felton
Bull Creek 2	531	Active	Felton

Typically, surface water diversions account for approximately half of SLVWD's supply. In above-average rainfall years, surface water diversions can potentially address 100% of demand. However, SLVWD only has enough surface water storage capacity to store a few days of diverted surface water. Thus, groundwater is still needed to augment surface supplies in fall and early winter months.

In addition to the surface water diversions on the North and Felton Systems, SLVWD also has an existing entitlement of 330 acre-feet per year to a portion of the yield from Loch Lomond Reservoir. The Reservoir is owned and operated by the City of Santa Cruz. SLVWD has not exercised their right to this water since the 1970s.

4.4 Distribution System Assets

The District's distribution system consists of 32 pressure zones, 144 miles of pipeline, 35 treated water tanks and reservoirs, and 28 booster pump stations. Pipeline sizes range from 2-inch to 14-inch in diameter, as shown in Table 4. Over half the distribution system pipelines are 4-inches in diameter or less. These restrictions have led to historic and on-going low water pressure issues.

Table 4. Distribution System Pipeline Inventory

Pipeline Size (Inches)	Pipeline Length (Miles)
3 and under	56.89
4	15.74
6	47.21
8	16.3
10	5.78
12	1.84
14	0.05
TOTAL	143.81

The District owns and maintains 35 tanks, comprised of various materials including redwood. Table 5 on the following page lists the District's tank inventory, and provides information on tank capacity, zone served, elevation, and location.

Table 5a. Storage Tank Inventory (North)

System	Name	Capacity (Gallons)	Zone Served	Elevation (Feet)
North	Riverside Grove Tank	380,000	Riverside Grove	1017
	Blue Ridge Tank	40,000	Blue Ridge	946.42
	Reader Tank	150,000	Reader	750
	Alder Tank	700	Reader	Approx. 644
	Lyon Reservoir	3,000,000	Lyon	848.44
	Little Lyon Reservoir	250,000	Lyon	848
	Eckley Tank	4000	Eckley	1000
	Blackstone Tank 1	22,000	Blackstone	797
	Blackstone Tank 2	22,000	Blackstone	797
	Big Steel Reservoir	1,400,000	Big Steel	734.07
	Huckleberry Tank	125,000	Huckleberry	1021
	Ralston Tank	10,000	Ralston	950
	Bear Creek Tank	75,000	Bear Creek	760
	Highland Reservoir	60,000	Highland	900
	Nina Reservoir 1	54,000	Nina	1200
	Nina Reservoir 2	75,000	Nina	1200
	Brookdale Reservoir	721,000	Brookdale	575
	Upper Swim Tank	10,000	Swim	746.4
	Lower Swim Tank	9600	Swim	727.6
	Spring Tank	65,000	Spring	990
	University Reservoir 1	50,800	University	826
	University Reservoir 2	75,000	University	826
	Reagan Reservoir	14,500	University	Approx. 808
	Quail Tank 1	211,000	Quail	730
	Quail Tank 2	240,000	Quail	730
	South Reservoir	4 × 9000	South	1185
	Echo Tanks	100,000	North Boulder Creek	1060

Table 5b. Storage Tank Inventory (South, Felton, and Mañana Woods)

System	Name	Capacity (Gallons)	Zone Served	Elevation (Feet)
South	Probation Tank	100,000	Probation	871.32
	Lower Pasatiempo Reservoir	100,000	Upper Probation	821.6
	Upper Pasatiempo Reservoir	100,000	Upper Probation	905.5
Felton	Abandoned 1989 McCellan Tank	4,500,000	Pine	544
	McCloud Tank	284,000	McCloud	515
	Blair Tank	255,000	Blair	500
	Clearwell Tank	250,000	McCloud	296.5
	Felton Acres Tank	100,000	Pine	Approx. 474
	Upper El Solyo Tank	20,000	El Solyo	650
	Pine Tanks	18,000	Pine	641
Mañana Woods	Blue Tank	65,000	Blue Zone	731.33
	Charlie Tank	45,000	Charlie Zone	825.59

4.5 Wastewater System Assets

SLVWD provides wastewater collection and treatment for 56 parcels in a portion of Bear Creek Estates subdivision (units 3, 4, and 5). This area was first developed between 1963 and 1965 and expanded in 1975. Residential units were historically on private septic systems, and approximately half the units remained on private septic systems during the conversion to the sewer system. A private developer constructed the District's wastewater collection system and septic disposal system in 1985. The Wastewater System was acquired by SLVWD when the development requested annexation into the District's water system.

The existing wastewater treatment system consists of 1.2 miles of gravity sewers, an influent pump station with 2,600 linear feet of force main, a pneumatic lift station, and a two-stage trickling filter treatment system. SLVWD has a waste discharge permit to treat up to 12,000 gallons per day of wastewater, and then discharge it to a community leach field.

In 2005, SLVWD converted to a two-stage trickling filter for nitrogen removal to meet the Regional Water Quality Control Board requirements for 50 percent nitrogen removal prior to subsurface disposal. Later improvements included the following:

- 2009 – 3rd stage random pack media tank
- 2011 – Pumping modifications and internal recirculation/splitter ball valves
- 2013 – Air blowers and fine bubble diffusers to the clarifier tanks.

- In April 2016, the Central Coast RWQCB issued a Notice of Violation of the Waste Discharge permit to SLVWD for failing to meet the 50% removal requirement for nitrogen, excess flow violations for inflow and infiltration during rain events, and the provision for Operator training for Sewer/WWTP spills.

The District contracted with Infrastructure Engineering Corporation (IEC) to evaluate the collection and treatment systems and to develop recommendations for both systems. The IEC recommendations included Completion of smoke testing of remaining systems, installation of manhole inserts, epoxy sealing of manholes, and replacement of 195 LF of sewer pipeline. These recommendations have not been included in the District's current CIP.

4.6 Lompico Water System

The Lompico County Water District (LCWD) is a small system that was annexed by SLVWD in June 2016. The system serves 500 connections in the Lompico Creek canyon area. Raw water was formerly supplied by wells and surface water diversions from Mill Creek. Existing infrastructure consists of six redwood tanks, two water treatment plants, four wells, one pump station, and nine pressure-reducing valves. The system has three miles of water mains made of galvanized iron and PVC. Service laterals are in poor condition and are failing at a rate of three per month. Table 6 lists Lompico system infrastructure.

Table 6. Lompico County Water District Infrastructure

Name	Capacity (gallons)	Material	Year Built	Elevation (feet)	Notes
Kaski Tanks	2 × 60,000	Redwood	1990	1265	
Lewis Tank 1	100,000	Redwood		1096	
Lewis Tank 2	100,000	Redwood		1330	Appears demolished.
Lewis WTP				1090	
Madrone Tanks	2 × 60,000	Redwood	1990	1287	
Well 1				1026	
Well 7A				1027	
Well 5				1099	
Mill Creek WTP (Clearwell)	48,000	Bolted Steel		619	
Madrone Pump Station				905	

As part of Lompico's annexation process, the following capital projects were identified and will be funded by an assessment to the Lompico customer:

1. Install 3 new Bolted Steel Tanks
2. Refurbish Mill Creek WTP
3. Replace Service Lines and Meters
4. Distribution System Interconnections
5. Install SCADA System at multiple sites
6. Replace existing Pressure Reducing Valve

The total cost of these projects was estimated at \$2,922,734. These costs are not included in the District's CIP since they will be funded through the assessment, however District staff will be responsible for managing the projects.

5.0 SUMMARY OF FINDINGS

Based on the information reviewed, this section summarizes findings for potential planning and capital improvement activities that would be beneficial in meeting the service objectives of the District's Strategic Plan. Further in this document, this list is compared to the District's current capital improvement program.

Recommendations are provided below for the following:

- Surface Water Supplies
- Treated Water Storage
- Water Distribution Facilities
- Groundwater Facilities
- Wastewater Facilities
- Lompico Water System

5.1 Surface Water

Surface water intakes and facilities include District raw water intakes and supply pipelines, surface water treatment plants, Loch Lomond supplemental surface water supply, and Lompico surface water supply.

Raw Water Intakes and Supply Pipelines

The existing raw water systems consist of several intakes along nine different creeks along Ben Lomond Mountain. Most of the raw water pipelines in these systems are above ground and exposed to the elements, vandalism, or other risks. District staff performed regular inspections on creek diversion structures. However, documentation is not available from these inspections to determine the extent of these assessments, or associated findings.

Future inspections should evaluate susceptibility to landslides, debris flows related to large stormwater flows, general condition, and structural integrity. The District should develop a standard checklist for creek diversion inspections, and document any known hydraulic restrictions or known material issues with the raw water pipelines. These assessments should also include a physical inventory of above-ground pipelines, and an evaluation of whether any of these lines should be buried or otherwise protected from vandalism and/or other risks.

Water Treatment Facilities

The District does not maintain a comprehensive planning document for its water treatment facilities and should consider completing a Water Supply and Treatment Master Plan for the two raw water treatment plants. The Water Treatment Master Plan would document all aspects of the treatment plant including treatment components (filtration, chemical addition, disinfection, etc.), treatment capacity, operational SOPs, maintenance practices, and component information (manufacturer, make/model, date installed, etc.). The Master Plan would document current conditions, discuss known issues such as planned replacement or rehabilitation of treatment components, and identify potential future treatment challenges and improvements based on changes to raw water quality or changes in future regulations. This document would provide information valuable for developing a long-term CIP.

Loch Lomond Water Supply

In 2015, SLVWD established a strategic goal of developing the Loch Lomond water supply, including financial planning, completion of environmental review, and project design by 2020. The Loch Lomond Source Development Project, which was completed in 2010, recommended blending the water from Loch Lomond into the Felton Raw Water System prior to treatment at the Kirby Water Treatment Plant. This project remains critical to assure supply reliability during dry and critically dry years, especially if groundwater resources become restricted. Therefore, the project should be reviewed and the cost estimate brought up to 2016 values.

An option for groundwater recharge of Loch Lomond water may become available as part of the larger Santa Margarita Groundwater Basin Replenishment effort, following establishment of the Groundwater Sustainability Agency (GSA) that was discussed above. The GSA is being established to manage the shared groundwater resources to manage withdrawals and potentially establish a replenishment project. A project to recharge the Loch Lomond water supply could be partially funded through state or federal grants to help support the sustainable use of the groundwater basin.

Lompico Water Supply

Recent actions taken by the Regional Water Quality Control Board have prompted SLVWD to stop use of Lompico's surface water diversion and treatment system. SLVWD is currently providing water from the North System via a new pump station and intertie pipeline. It would be beneficial to review the Lompico supplies, to confirm that imported water is the most sustainable water supply option for the area. This study would include a review of potential sources of well and surface water contamination, and the measures needed to address these issues.

There has been discussion regarding the potential to divert storm water flows as a source for groundwater recharge, to improve groundwater supplies. This alternative would involve relocation and redesign of a surface water diversion on Lompico Creek to the Olympia quarry near Lompico Road as shown in Figure 6. A hydrogeologic investigation and a structural geology review of the quarry's current conditions would both be required.

Any review of water supply options should consider recent interest by the California Department of Fish and Wildlife in having the District provide dedicated surface water flows in Lompico Creek for Chinook salmon and steelhead recovery.

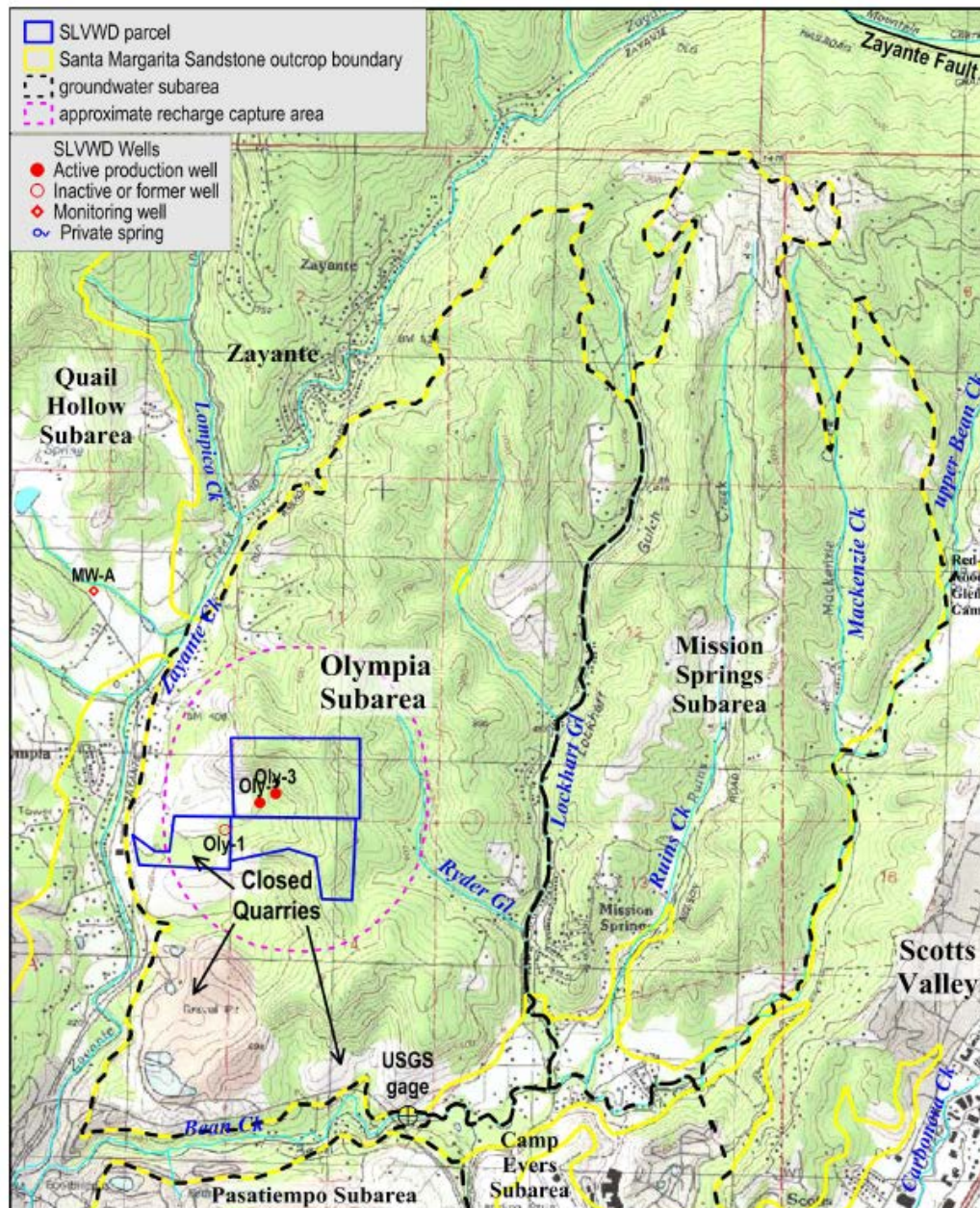


Figure 6. Potential Stormwater Surface Water Diversions at Currently Closed Quarries

5.2 Treated Water Storage

Tank inspections are performed regularly by SLVWD contractors and are scheduled to be performed again in the near future. Inspection reports from these inspections form the basis for an evaluation of tank condition including exterior coatings, liners, and roofs. District staff has developed a priority list for tank replacements, as listed in the current capital improvement program. However, additional review of the replacement needs using a risk-based analysis may be of use to the District. A risk-based methodology involves identifying which tanks and reservoirs have the highest likelihood failure and the greatest consequence of failure. These two factors form a numeric score and establish the priorities for rehabilitation or replacement. The risk-based analysis would also help to develop a timeline for

replacement or rehabilitation, in order to distribute tank replacements, which are usually a higher-cost capital replacement item, as appropriate over the long-term CIP.

Of special concern is seismic risk for the District's storage tanks, as determined by their proximity to the Zayante Fault, which runs through a large portion of Boulder Creek. At a minimum, Huckleberry Tank and Pump Station should be evaluated for seismic hardening, as pipeline connections between the building and the distribution system are of particular concern.

In addition to assessing condition, consideration should be given to the volume of available storage. Currently, the SLVWD has a shortfall in surface water storage. Water is pumped, diverted, and treated according to immediate demands. SLVWD should consider establishing a design standard for sizing new tanks to include:

1. A minimum storage volume for emergencies,
2. Fire storage volume and
3. Daily operational volume

Select storage tanks could be identified for enlargement during their planned replacement to meet increased storage needs.

5.3 Water Distribution Facilities

The District has 28 booster pump stations, and 144 miles linear assets (i.e., pipelines). Separate recommendations are provided for each category.

5.3.1 Booster Pump Stations

It is recommended that the District perform a physical assessment of each booster pump station, to identify deficiencies and document the current state of each facility. The assessment would use as its basis existing available documentation, including when each facility was put into service and if any part of the facility has been upgraded. The current documentation would be expanded to include assessments of the mechanical equipment, structural issues, ventilation, entrance/security, safety issues, electrical, and communication systems.

Following the physical assessment, identification of needs, and associated cost estimates, the recommended improvements would then be grouped and prioritized to most effectively minimize risks, and then either added to the long-term CIP, or included on a maintenance priority list as appropriate. If booster stations are known to be failing or are critical to the District, these facilities should be assessed first.

5.3.2 Linear Assets

The District owns and maintains approximately 144 miles of distribution pipeline. A portion of this system, a single pipeline located within the State Highway 9 in the Boulder Creek area, forms the backbone distribution pipeline for the North System distribution network. More specifically, the San Lorenzo Park, Ramona Woods, San Lorenzo Woods, and Blue Ridge zones are all served by a single supply pipeline within Highway 9, and have redwood tanks as their only storage source. Due to this configuration, these areas are particularly vulnerable to a loss of service during or after a natural disaster. In addition, areas of known landslide risk and the area between Two Bar Road and Bear Creek Road within the Zayante Fault Zone are of considerable concern.

VWHA recommends that the District develop a risk-based linear asset model to evaluate and prioritize recommendations for pipeline rehabilitation and replacement. The model would overlay parameters that determine Likelihood of Failure, and parameters that measure Consequence of Failure, to assign a risk score to every pipeline asset.

A risk-based linear asset management program will also serve to consolidate the large volume of available data, both written and known by field staff, that is available regarding the District's linear assets. Some of the benefits that would be provided by this approach include the following:

- A linear asset management program would include all available information on pipeline condition, leaks, fire flow, O&M issues, soil conditions, seismic risk, landslide risk, etc.
- The model can be customized to SLVWD's needs including fire risk, landslides, loss of water pressure and security.
- The model would utilize available GIS data to determine nearby critical facilities such as fire stations, clinics, and hospitals, major roadway intersections, etc.
- A numerical model allows for staff to focus on the assets that present the highest risk, as measured by a combination of likelihood and consequence of failure.
- Understanding and planning for long-term risk will help to smooth out the year-to-year costs of pipeline replacements.

5.4 Groundwater Facilities

Scotts Valley Water District (SVWD) and SLVWD share the same groundwater basin. As water usage increases over time (presuming continued development of the combined area), effective sharing of resources must be considered in managing groundwater use, as groundwater overdraft is a potential risk if the two agencies do not develop a plan to manage use. More specifically, SVWD's operations may result in an unacceptable level of drawdown to the regional groundwater table, which may directly impact SLVWD's ability to pump from the same aquifer.

This drawdown is shown in Figure 5-29 of the Urban Water Management Plan, which documents a 160-foot drop in groundwater levels in the Pasatiempo Wellfield and Mañana Woods well since 1985.

SVWD and SLVWD, along with other local agencies, are discussing the possibility of establishing a Groundwater Sustainability Agency (GSA). One of the collective objectives of this agency is to develop a plan to stabilize groundwater levels and recharge some or all of the lost volume.

In addition to addressing the public groundwater facilities, a 2001 study of private well production yielded an estimate of less than 100 acre-feet per year. This estimate should be revisited, and it is recommended that the District develop a database of private wells, considering the significant reliance that SLVWD and SVWD have on groundwater, as well as recent legislation that could affect groundwater basin management.

5.5 Wastewater Facilities

IEC engineers conducted an assessment of the Bear Creek estates wastewater collection and treatment system in response to recent action by the Central Coast RWQCB. Following this assessment, IEC developed the following recommendations to address inflow and infiltration:

1. Inspect air bubble diffusers and configuration in clarifier tanks
2. Verify blowers are adequately sized
3. Install chemical feed system to provide additional alkalinity
4. Clean and Inspect tank for cracks
5. Conduct Field Test of Trickling Filter 1 and Clarifier No. 3
6. Maintain CO level in Clarifier No. 3 and add alkalinity as required
7. Complete smoke testing of remaining private laterals
8. Install manhole inserts
9. Epoxy-seal manholes
10. Replace 195 LF of sewer pipeline

IEC estimated the collection system improvements to be \$84,000. IEC did not provide a cost for wastewater treatment facility improvements. IEC also developed an Emergency Spill Response Plan for the wastewater treatment plant that would bring SLVWD back into compliance with their waste discharge permit.

Replacement value of the Wastewater Treatment System was estimated at \$960,000 and based on recent Membrane Bioreactor Plant costs. Replacement value of the wastewater collection system was valued at \$2.2 million based on industry rates for sewer main installation. To assist in long-term collection system management and to meet the requirements of the Statewide WDR, the District should also develop a Sewer System Management Plan for the Bear Creek Treatment System in parallel with the proposed capital improvements.

5.6 Lompico Water System

Water quality in the Lompico area has been adversely affected by septic system leaks and high levels of iron and manganese. The recently renovated Lewis Water Treatment Plant can treat groundwater from the Lewis Wellfield off West Drive, though the wellfield remains on standby. The Mill Creek Water Treatment Plant also remains on standby, and may require upgrades to meet State water quality standards. Treated water is currently supplied to Lompico through an intertie with SLVWD.

Potential infrastructure upgrades may include tank consolidation, wellhead repair, SCADA and automation system implements, and pump station installations. Challenging topography and narrow streets will likely increase the costs of improving Lompico's infrastructure.

6.0 RECOMMENDATIONS FOR DEVELOPMENT

This section summarizes findings and recommendations from the Capital Asset Cost of Service Study.

6.1 Review of Current CIP

The District provided a Capital Improvement Planning document that included known critical projects such as replacement of a number of redwood tanks and the completion of system interties. The District has also prepared a Capital Improvement Plan for the Lompico Water System as part of the annexation process. These two CIP documents were developed based on historical lists of needed repairs and replacements, filtered using institutional knowledge. The District's CIP included estimated project costs and priorities, but no implementation timeline.

The District's historical CIP strategy has been to fund projects through a pay-as-you-go approach. This strategy has resulted in the funding of many small and medium sized capital projects. However, The District has significant capital assets that are approaching the end of their expected life. The current strategy does not allow for a temporary, increased level of spending that will be required in the future to address more significant infrastructure improvements.

Based on discussions held with District staff regarding the Agency's most critical needs, the first three years of the District's current CIP should be implemented. Recommended projects, priorities, and costs assigned by District staff are listed in Table 7. The District received confirmation through an outside peer review that the assigned costs are appropriate.

In order to accurately project projects and costs beyond this timeframe, it is recommended that the District complete additional system-wide master planning. The most important planning activity to pursue in the next three years would be the implementation of an asset management approach for pipeline, storage, and pumping plant asset rehabilitation and replacement.

Table 7. Three-Year CIP

Project/Category	District Priority (See Note 1)	Estimated Cost (\$)	Cost Per Fiscal Year (2016 Dollars)			
			16/17	17/18	18/19	19/20
Water Supply - Sources						
Fall Creek Diversion	90	800,000	800,000			
Olympia Groundwater Well	87	1,500,000		1,500,000		
Water Supply - Distribution						
Lyon Zone Water	155	450,000	450,000			
Bull Spring Main	127	750,000	750,000			
Hihn Road Main	116	90,000		90,000		
Worth Lane Main	101	120,000			120,000	
Sequoia Avenue Main	98	120,000			120,000	
Fairview Booster PS	95	200,000			200,000	
Felton Acres Tank and PS	92	300,000			300,000	
Hillside Dr Main	92	240,000				240,000
Riverview Drive Main	92	240,000				240,000
Blue Ridge Drive Main	89	300,000				300,000
Brackney Road Main	89	225,000				225,000
Buena Vista Main	89	180,000				180,000
Water Supply - Storage						
Highland Water Storage Tank	91	225,000	225,000			
Echo Water Storage Tanks	88	500,000		500,000		
El Solyo Water Storage Tank	88	300,000		300,000		
Felton Heights Water Storage Tank	86	150,000			150,000	
Mañana Woods Blue Water Storage Tank	85	200,000			200,000	
Bear Creek Estates	76	125,000			125,000	
Blue Ridge Storage Tank	76	150,000				150,000
Brookdale Storage Tank	73	350,000				350,000
Water Supply - Production						
Bennett Intake Transmission Line	114	495,000	495,000			
Quail Hollow Groundwater Well	99	1,000,000			1,000,000	
Bennett Booster PS	94	390,000			390,000	
Water Supply - Treatment						
Lyon Water Treatment Plant SCADA	105	150,000	150,000			
TOTAL		9,550,000	2,870,000	2,390,000	2,605,000	1,685,000

Notes:

1. A higher number denotes a higher priority project.

In order to estimate costs beyond the 3-year timeframe, VWHA prepared a concept level projection of overall system value, based on available information, and also developed a possible distribution of replacement costs for each asset class.

6.2 Conceptual Long-Term Asset Valuation

Table 8 lists the District's asset classes, associated value by asset class, and projected replacement cost in current dollars. The process used to develop the asset costs and cost distribution is shown in Figure 8:

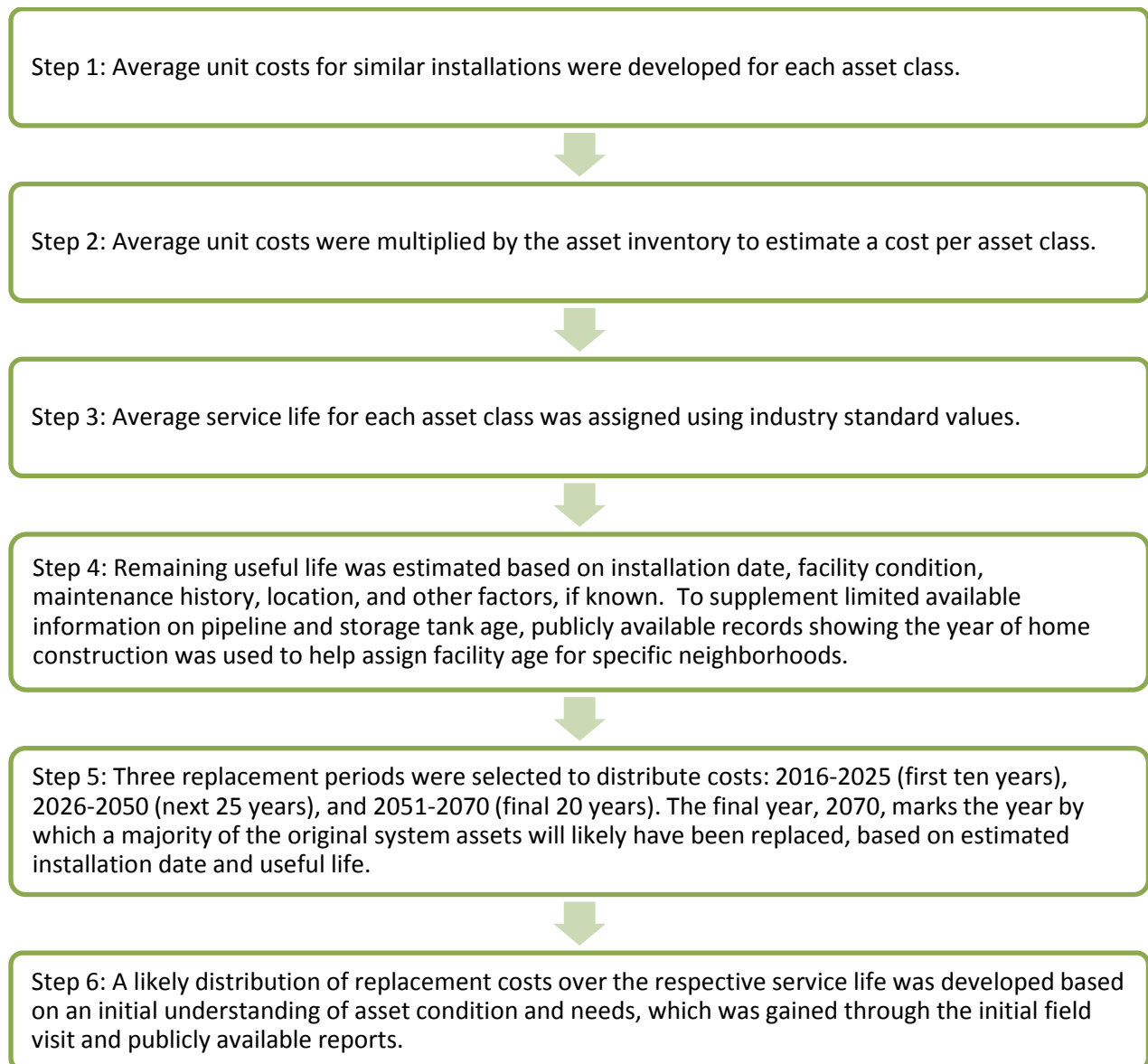
Figure 8. Asset Valuation Approach

Table 8. SLVWD Capital Asset Replacement Cost Estimate

Asset ^{Note 1}	Cost Per Unit ^{Note 2}	Asset Quantity	Unit	Useful Life (Years) ^{Note 2}	Total Asset Replacement Cost (\$) ^{Note 3}	Total Cost to Replace by 2026	Cost Per Year (2016-2025)	Total Cost to Replace by 2050	Cost Per Year (2026-2050)	Total Cost to Replace by 2070	Cost Per Year (2051-2070)
Pipes (20-60-20)	\$70	760,320	Linear foot	70-100	\$53,222,400	\$10,644,480	\$1,064,448	\$31,933,440	\$1,277,338	\$10,644,480	\$532,224
Tanks (20-60-20)	\$3	9,240,000	Gallon	50-70	\$27,720,000	\$5,544,000	\$554,400	\$16,632,000	\$665,280	\$5,544,000	\$277,200
Pump Stations (20-60-20)	\$1,000,000	31	Each	20-30	\$31,000,000	\$6,200,000	\$620,000	\$18,600,000	\$744,000	\$6,200,000	\$310,000
Wells (10-60-30)	\$1,500,000	10	Each	20	\$15,000,000	\$1,500,000	\$150,000	\$9,000,000	\$360,000	\$4,500,000	\$225,000
Treatment (0-60-40)	\$2.50	2,360,480	Gallon	25	\$5,901,200	\$0	\$0	\$3,540,720	\$141,629	\$2,360,480	\$118,024
Wastewater Treatment (20-60-20)	\$80	12000	Gallon	60-80	\$960,000	\$192,000	\$19,200	\$576,000	\$23,040	\$192,000	\$9,600
Wastewater Collection (20-60-20)	\$250	8936	Linear foot	25	\$2,234,000	\$446,800	\$44,680	\$1,340,400	\$53,616	\$446,800	\$22,340
Diversions (10-60-30)	\$375,000	10	Each	50	\$3,750,000	\$375,000	\$37,500	\$2,250,000	\$90,000	\$1,125,000	\$56,250
Admin/Operations Buildings (10-60-30)	\$112.44	3	Square-foot	60	\$8,147,604	\$814,760	\$81,476	\$4,888,562	\$195,542	\$2,444,281	\$122,214
TOTAL (\$)					\$147,935,204	\$25,717,040	\$2,571,704	\$88,761,122	\$3,550,445	\$33,457,041	\$1,672,852

\$3,367,005

Notes:

1. Numbers in parentheses designate the percentage of each asset group that is planned for replacement by 2025, from 2026-2050, and from 2051-2070. Replacement percentages are qualitative estimates based on limited knowledge of asset age, replacement history, or condition.
2. Unit costs are assigned in current dollars, using industry standard average costs for similar installations. Actual costs may vary depending on individual facility replacement needs and constraints. Useful life uses similar industry standard averages and may vary depending on facility condition, maintenance, location, and other factors.
3. Additional assumptions regarding asset useful life and unit costs, including how information was developed to estimate current age and replacement unit costs, are included in Section XX of the project report.
4. The tank asset quantity includes a 10% volume contingency to account for replacement of small tanks with larger tanks.

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Table 8 lists the percentage of each asset that is expected to be replaced in each of the three replacement divisions in parentheses in the “Asset” column. For example, “20-60-20” means 20% of the asset replacement cost is assigned to the first time period (2016-2025), 60% of the total cost is assigned to the second time period (2026-2050), and 20% of the cost is assigned to the third time period (2051-2070). The distribution of cost was estimated for each asset class based on average age, expected useful life, and assumed condition. Using this approach, the District should expect to spend approximately \$2.6 million annually during the next ten years, and approximately \$3.6 million annually for the following 20 years, in order to replace assets based on service life.

The time periods and associated asset replacement percentages from Table 8 are also shown graphically in Figure 9. The three bars represent each asset replacement period. The bar height corresponds to the total annual asset replacement cost within the time period. Each bar is subdivided into asset classes, with each color representing the annual asset class replacement cost.

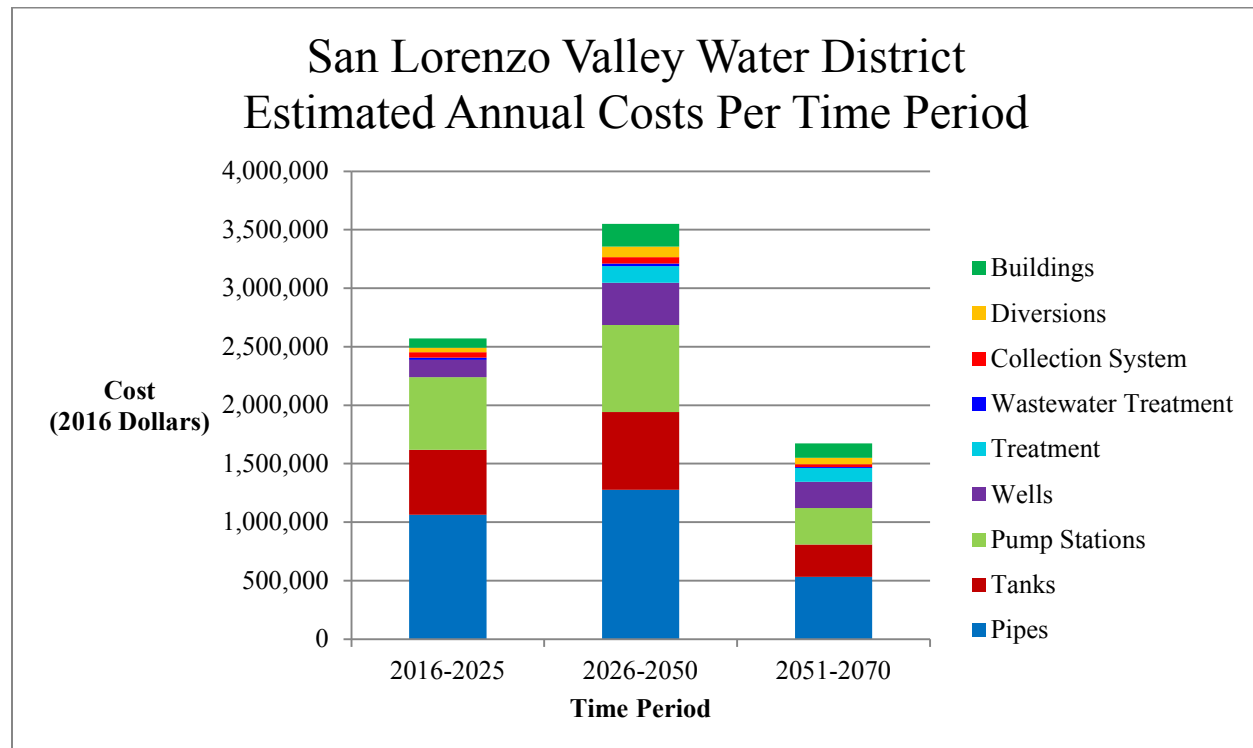


Figure 9. Estimated Annual Costs per Future Time Period



BACKGROUND

This report represents the results and recommendations of the **Staffing Study** (Study) of the San Lorenzo Valley Water District (District). This report was done as a component of an Enterprise Wide Cost of Service Financial Study, which will serve as a basis for a multi-year rate study.

The District is an urban water supplier serving communities in the 136 square-mile San Lorenzo watershed located in Santa Cruz County. The District owns and operates three separate water systems in an area characterized by mountainous terrain, rural residential and low density urban residential and commercial activity. Although the District was established in 1941, the District has expanded its service area in recent years through the annexation of a mutual water company and acquisition of a separate system previously owned and operated by an investor-owned utility. The District also owns and operates a small wastewater collection and treatment system utilizing a bio-treatment process with a leach field for disposal. The bulk of the residential customers within the District's service area utilize individual septic sewer collection and disposal systems.

The District relies on a mix of both surface water and groundwater which includes nine active stream diversions, one groundwater spring and eight active groundwater wells. The topography of the San Lorenzo Valley require that the District operate their distribution system through a series of 33 hydraulic pressure zones with limited above-ground storage capacity. The District produces and treats water based on immediate water demand.

The District's current organizational structure is comprised of 26 employees within five departments: Administration, Operations, Environmental Programs, Engineering and Accounting/Customer Service. The General Manager reports to a five-member Board of Directors and directly supervises five departments or program managers, (See October 2015 San Lorenzo Valley Water District Current Organization Chart on page 4). The Staffing Study was commissioned to review and provide recommendations utilizing various industry standards regarding the appropriate size and scope of the organization including the labor force necessary to provide the required operations, maintenance and administration of the water and wastewater systems. Any cost impacts resulting from changes to the current organizational structure would be a factor in developing the cost of service study.

The staffing study includes the following tasks:

- Conduct project orientation meeting with the General Manager, Director of Operations, Finance Manager and Administrative Assistant/District Secretary.
- Review current organizational structure, reporting relationships, span of control and degree of cross-functionality.
- Review employee job descriptions and relationships between job classifications.
- Designated employees were provided Position Description Questionnaires (PDQ) to facilitate a job-match survey.

- Conduct interviews of designated employees and employee work units to include the General Manager, department managers, supervisors and operational personnel to assess individual skill and training levels.
- Conduct inventory and analysis of current allocation of labor and equipment by task and quantify existing maintenance and service levels across all operational functions.
- Conduct site inspection of key components of water and wastewater system to gain an understanding of the size, scope and complexity of each system.
- Conduct comparative evaluation and ‘benchmarking’ of existing programs and services to industry trends and best practices.
- Identify opportunities for increased efficiency and improved service levels through utilization of consultants or outside labor to augment existing operations.
- Develop recommendations for modifications to existing organization structure and augmentation of existing staff.
- Prepare Staffing Study Report to be included in final Enterprise Wide Cost of Service Financial Study.

EXISTING ORGANIZATIONAL STRUCTURE

The current organizational structure of the District is consistent with operations of a small utility system. The administration function of the District consists of the Board of Directors, General Manager and Administrative Assistant. Human Resources and Personnel Management are also managed in this functional area. In addition to the administrative functions there are five primary ‘Departments’ consisting of Administration, Operations, Environmental Programs, Finance/Customer Service and Engineering. In total, there are 26 staff assigned to these functional areas. The general scope of responsibility for each functional area or department consists of the following:

Administration

- General support for an elected Board of Directors, the General Manager’s office, preparation for and management of public meetings, committee and community meetings. Preparation of agendas, minutes, resolutions and ordinances relative to public policy promulgated by the Board of Directors or General Manager.
- Provide direct oversight, coordination and management of all District services and programs.
- Serve as liaison to various industry and regional organizations as well as local interest groups.
- Administration of the District’s strategic plan, mission and compliance with legal requirements.
- Preparation and adoption of long-range planning documents, budgets, establishment of policies and procedures including adoption of rules and regulations for operations of water and wastewater operations.
- Management of the Human Resource and Personnel Plan including employee compensation and benefit model.
- Administration and management of official records of the District.

Operations and Maintenance

- Responsibility for treatment, production, and distribution of potable water for public health and safety needs within the Districts service area.
- Operate and maintain stream diversion facilities consistent with existing operating plans and regulatory compliance mandates.
- Responsible for maintenance of water quality systems and protocols in compliance with safe drinking water standards.

- Maintenance of potable and non-potable water systems including treatment and distribution systems, piping, production and storage facilities and equipment.
- Responsibility to collect water consumption data through water meters, manual and automated, and transmit individual customer data for preparation of customer bills.
- Responsible for coordination with Customer Service Department on individual customer issues, new meter installations and termination of service.
- Provide technical support for automated processes, telemetry and SCADA systems, and provide general computer support for all District functions.
- Provide for the operation and maintenance of District vehicles and equipment.
- Responsible for coordination of building maintenance functions either through in-house labor or by contract administration.

Environmental Programs

- Management of environmental programs, compliance monitoring, permits and mitigation measures required to operate a public water system within the San Lorenzo Watershed.
- Manage the District's Habitat Conservation Plan.
- Interface and coordinate activities with various state, federal and local jurisdictions on matters related to environmental health, wildlife and endangered species management.
- Represent the District on matters of public outreach and community relations.
- Conduct local water conservation programs, public education and assist with development of the District's Urban Water Management Plan.

Finance

- General financial management of the District including establishment of water and wastewater rates, fees and charges.
- Preparation and administration of District's Annual Budget and Expenditure Plan including the annual audit.
- Manage the District's fixed asset management system, depreciation schedules and purchasing procedures.
- Manage the banking operations and investments including accounts receivable and payable.
- Manage the District's employee payroll systems.
- Provide a 'full-service' customer service support function including public counter operations, telephonic customer support, payments, non-payments and coordination with the maintenance function for installation of new meters and termination of service and customer water consumption data.
- Management of the District's financial management software and support for operating departments.
- Development of financial reports and documents for the Board of Directors, General Manager, department managers, banking institutions and other outside parties as required.

Engineering

- Responsible for coordinating the technical and graphical engineering functions of the District including database management, standards and procedures of infrastructure design and construction.
- Provide technical support to the General Manager and departments related to technical documents.
- Coordination with outside engineering and professional firms in the preparation of design plans and specifications for development or modification of District facilities.
- Oversee the construction of all District facilities.
- Responsible for the maintenance of the District's Geographic Information Systems (GIS), construction standards, and historical documents.

SLVWD CURRENT ORGANIZATIONAL CHART

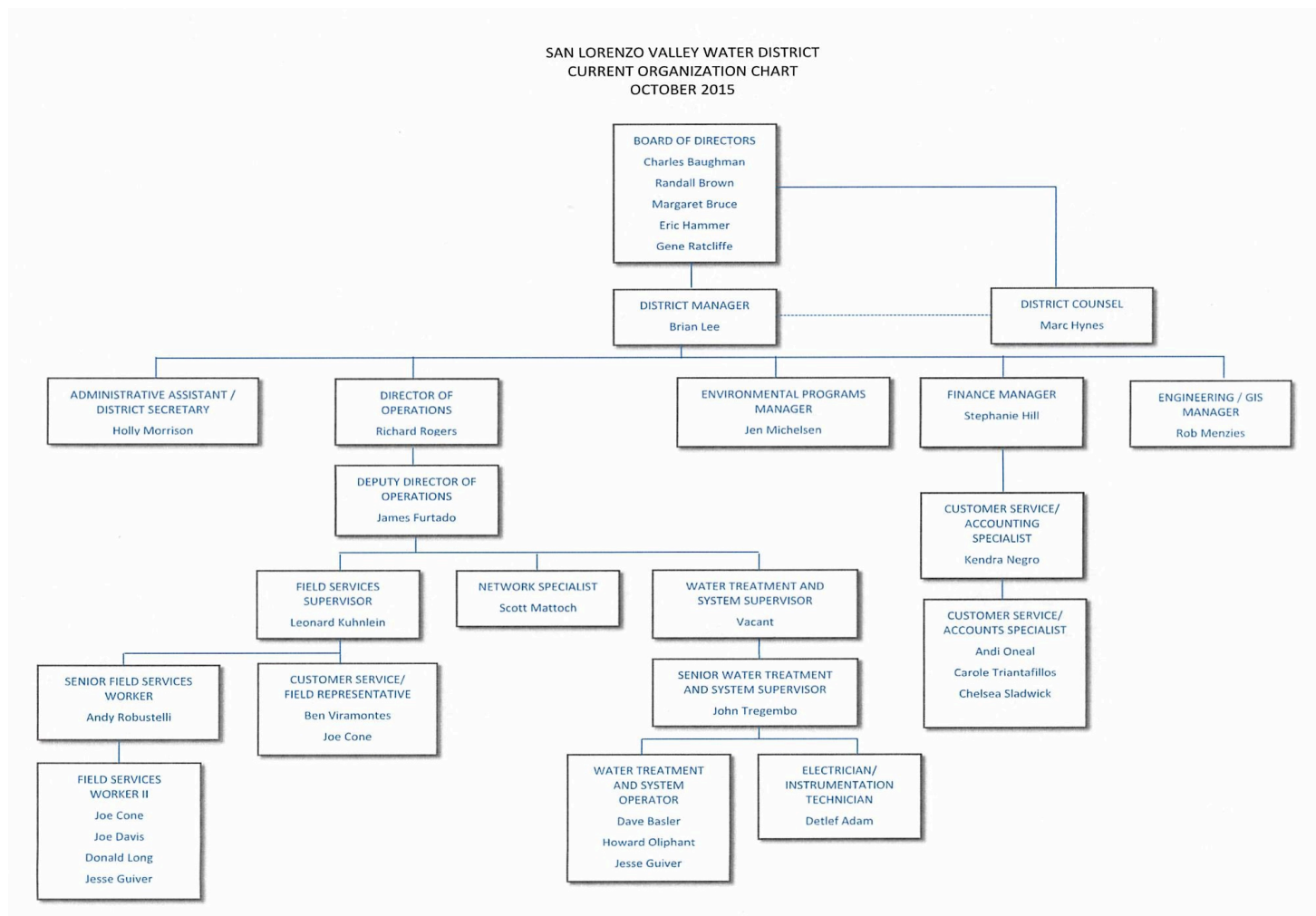


Table 'A' below depicts how existing labor is allocated to the five existing functional departments including the specific job titles associated with each department.

Table A

<u>Department</u>	<u>Position Title</u>	<u>No. of Positions</u>
Administration	General Manager	1
	Administrative Assistant/Board Secretary	1
Operations and Maintenance	Director of Operations	1
	Deputy Director of Operations	1
	Field Services Supervisor	1
	Senior Field Services Worker	1
	Field Services Worker II	4
	Customer Service/Field Representative	2
	Network Specialist	1
	Water Treatment and System Supervisor	1
	Senior Water Treatment and System Supervisor	1
	Water Treatment and System Operator	3
	Electrician/Instrumentation Technician	1
Environmental Programs	Environmental Programs Manager	1
Finance	Finance Manager	1
	Customer Service/Accounting Specialist	1
	Customer Service/Accounts Specialist	3
Engineering	Engineering/GIS Manager	1
TOTAL STAFF		26

STAFFING STUDY ISSUES AND FINDINGS

Based on the current approved staffing plan reflected in Table A above, a departmental review including individual staff interviews and site visits was conducted to gain an understanding of how labor was allocated across all departments. A number of factors are currently impacting the District's ability to allocate labor effectively and provide administrative and operational service and support for a system the size and scope of the District. These include but are not limited to the following:

1. The District expanded its service area by annexing the Manana Woods development in 2006, which is physically located at the southernmost part of the District. One additional employee was included in the annexation, however, that employee has since retired and the position has not been authorized in subsequent budgets.
2. In 2008, the District expanded its service area by acquiring the Felton Service Area. The District absorbed the cost of maintenance and capital system improvements into its existing operations and capital budget without additional labor. The previous utility operator allocated five full-time staff to the Felton system.
3. Currently the District has approximately 7,500 metered water connections and 48 sewer connections. The ration of employees to each metered water connection is roughly 288:1.
4. There are no infrastructure plans or individual customer data for the gravity sewer system as well as no pro-active capital replacement program for the sewer system including the treatment plant.
5. The District is not in compliance with its waste discharge permit to operate the sanitary sewer system.
6. The current distribution system maintenance program is heavily involved in leak repairs due to the age, condition and location of existing infrastructure. It was observed that when more than one leak occurs at any one time requiring a crew to be dispatched that there are insufficient staffing and resources to facilitate repairs in a timely and efficient manner.
7. In addition to supporting the Board of Directors and General Manager, the Administrative Assistant/Board Secretary also serves as the Human Resources Coordinator for all personnel-related functions and is charged with maintaining official records of the District including recordation of official easement documents, ordinances, resolutions and related District policy documents. Approximately 75% of her time or 1,560 hours is used to support the Board of Directors, General Manager and office administration. This leaves a balance of approximately 520 hours for management of the human resource function, general administration and management of District records and official files.
8. Legal services are provided to the District by contract either through a retainer agreement as "General Counsel" to the District for routine matters or on an as-needed basis for specialized legal services such as labor and personnel, environmental and water rights law.
9. The District utilizes a monthly customer billing practice, which has increased the requirements for reading water meters, processing of customer bills and processing customer account payment records.

10. Two Customer Service Representatives/ Field Representatives (Field Service Rep.), read meters three days each week. One Field Service Rep. is assigned to customer service support functions, i.e., customer notifications, new meter installations, disconnection of service, high/low pressure concerns, taste and order concerns.
11. When the Field Service Reps. are not performing meter-related work or performing other customer service functions they are required to provide additional support to the Field Services group performing routine water/sewer system maintenance. Interviews with supervisory staff indicate that the frequency of this occurring is very low.
12. There are a number of functions that are not consistent with current job specifications but required as part of either system operations or administration and finance support.
13. Parts of the District's distribution system are reaching its useful life expectancy. The Operations and Maintenance Section replace approximately 2,500 lineal feet of system mainline annually. Some of this work is supplemented with outside pipeline contractors.
14. Due to the existing topography there is limited opportunity to expand the District's above ground storage capacity.
15. The District currently has a program to manually flush the distribution system annually.
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.
17. A number of routine and critical water system functions that should be included in a comprehensive preventative maintenance program include:
 - a. Inspection and cleaning of intake structures weekly
 - b. Weekly check of all chemical feed systems
 - c. Routine chlorine residuals and Bacteriological sampling weekly
 - d. Monthly Pump motor inspection and lubrication
 - e. Monthly recordation of electricity usage at all pumps
 - f. Daily treatment plant inspections
 - g. Weekly filter performance
 - h. Influent turbidity
 - i. Daily inspection of chemical feed pumps
 - j. Conduct daily site security checks
 - k. Check and record water levels in storage tanks daily
 - l. Quarterly tank inspections: leaks, ladders, roof access flow valves and chlorine residuals
 - m. Inspect wellheads weekly
 - n. Record pump runtimes and pump cycle starts daily
 - o. Weekly inspection of booster pump stations
 - p. Record pumping rates at each well or source weekly
 - q. Service air compressors monthly
18. The District has a certified laboratory for conducting basic water quality sampling. Currently the Treatment Operators collect water samples for testing. Based on interviews with Treatment Operations staff as much as 30% of one staff person's available time is allocated to this program (Approximately 690 hours/year)
19. The District currently operates a series of redwood tanks for water storage that result in significantly higher maintenance than conventional pre-stressed concrete or steel tanks.

20. The majority of all water meters in the District's system have been in place for over ten years. The last meter change-out program took approximately five years to complete.
21. In addition to maintenance and support of the water systems, the Operations and Maintenance Department is also responsible for routine building maintenance (excluding janitorial) of all District facilities, which also includes landscape maintenance. Between 40 and 60 hours of Operations and Maintenance staff time are required for maintenance of landscape areas on District property monthly.
22. There is no administrative support or simple clerical support for the Maintenance and Operations Department, which is physically located across the street from the District's administrative offices. Currently the various department supervisors and the Director of Operations handle this work. This is valuable time that could be used on maintenance functions.
23. Employee time off of work related to the use of employee earned vacation time, time off for required training and the use of sick leave is impacting overall productivity due to the size and limitation of existing staff.
24. There are no written standard operating procedures for most operating systems including operation of the treatment facilities and preventative maintenance functions.
25. The District's mapping system is converting to a Geographical database program. Field crews continue to utilize a 'hard-copy' paper mapping system to record changes or improvements. The Engineering Department is responsible for coordination of the data into an electronic format.
26. The District has no official safety coordinator. The Field Services Supervisor acts in this capacity on an as needed basis. The Finance, Customer Service, Engineering and Environmental Programs staff do not participate.
27. In some locations, water service is provided by above-ground piping. Due to cost and budget concerns, a program to relocate and bury the pipe has not been initiated.
28. Staff who supervise others and perform the annual performance evaluation for subordinate staff have not received formal training on conducting the evaluation. The Administrative Assistant/Board Secretary provides a paper evaluation form. Similarly, supervisor staff have not received comprehensive training on administration of the progressive discipline process. The industry practice is for staff assigned to the human resource function provide this training.
29. There is no comprehensive District-wide training program. The current practice is for the Director of Operations and Finance Manager to develop and provide training within their specific departments. The Engineering and Environmental Programs' departments were not included.
30. The Engineering function operates as an independent program managed by a single staff position. The range of services managed in this functional area reflect the typical municipal engineering utility operations including project management, infrastructure design coordination, GIS and mapping, and administration of capital projects. Infrastructure design and land survey work is outsourced to private engineering firms. The engineering function coordinates closely with the Operations and Maintenance Department. Routine engineering functions such as maintaining the District's GIS system, preparation of "as-built" documentation of infrastructure modifications and capital project management was lacking in many areas. This position was vacant at the time this Staffing Study was conducted.

31. Staff in the Finance/Customer Service Department are required to be cross-trained on the various departmental functions to accommodate for absence related to vacations, training and sick leave.
32. The Finance/Customer Service Department will assume program management for the District's cross-connection program including testing verification, certification and records management.
33. The Customer Service and Field Service functions operate in separate departments but are required to closely coordinate activities. The Customer Service function relies on field maintenance staff to perform various meter and customer-related functions but do not direct their activities or manage their work schedule.
34. The Network Specialist also provides support to other departments including set-up of the boardroom for public meetings, prepare specifications for vehicle and equipment purchases, coordination of vehicle maintenance program, web site maintenance and preparation of various reports.
35. The Environmental Programs Manager is the sole staff position responsible for a variety of environmental programs including environmental compliance and monitoring, the District's conservation and public education programs and grant administration. This position reports directly to the General Manager. The scope of responsibility within this functional area has grown considerably corresponding to mandated program management responsibilities as well as implementation of best management practices for a water/wastewater utility operating in the San Lorenzo Valley watershed. The range of responsibilities in this functional area is greater than a single staff person can effectively manage. A number of efforts such as developing and administering a comprehensive conservation and public outreach program, conducting water audits and identifying and securing grant funding are not being performed or performed at less than optimal standards.

SUMMARY OF RECOMMENDATIONS

A number of potential changes or modifications to the current organizational structure are recommended to achieve the study objective of identifying the optimal staffing plan for a water and wastewater utility the size and scope as the District. In considering these recommendations, various industry standards were applied including the American Water Works Association, American Public Works Association, the California Society of Municipal Finance Officers, industry best practices and previous consultant engagements of similar size and scope. The following represents a summary of the recommendations contained in this study:

- It is recommended that the Human Resource function be reassigned to the Finance Department and create a new Finance and Administration Department. Key aspects of the Human Resource function are closely tied to the financial operations of the District. These include payroll and benefit administration, health care administration, employee pension management, agency wide self-insurance programs and new employee orientation. Moving the Human Resource function to this new department will allow the Administrative Assistant/District Secretary to focus on additional administrative support functions for the Board and General Manager as well as general administration. (See Staffing Study Issues and Findings, No. 7).

- Re-structure the current Finance Manager's job description to include responsibility for oversight and management of the human resource function. The position should be re-titled to Director of Finance and Customer Service and will report to the General Manager.
 - Create a new Human Resources and Safety Coordinator position responsible for all management and coordination of human resource and safety program administration.
- It is recommended that the Environmental Programs function be reorganized to reflect the expanded scope of responsibility and requirements of this functional area. (See Staffing Study Issues and Findings No.34).
 - Reclassify the Environmental Programs Manager to Director of Environmental Programs reporting to the General Manager.
 - Create a new Conservation Coordinator position responsible for all demand management programs and coordination of customer outreach and public relations efforts.
 - Create a new Environmental Planner/Grant Coordinator position responsible for coordinating permit compliance, (CEQA, NEPA and Federal and State regulations), watershed and habitat management programs and management of existing water resources. Position will also provide management support for identifying grant opportunities, preparing grant applications and administering grant funded programs.
- It is recommended that the engineering function be reorganized to reflect the functional demands of the District with a new Engineering and Operations Department.
 - Reclassify the Director of Operations position classification to Director of Engineering and Operations with program administration and coordination of both the Operations and Engineering functions.
 - Reclassify the Engineering/GIS Manager position classification to Project Manager with management responsibility for capital projects, watershed improvement projects, coordination of environmental restoration projects, infrastructure and operations support and oversight of the Districts GIS and mapping programs.
 - Create a new GIS/CAD Coordinator position responsible for management of the District GIS and mapping, coordination of capital project design, updating the Districts 'as-built' drawings, maintenance of standardized plans, conversion and development of the Districts mapping to a digital data base platform and integration of the GIS with the customer service database.
 - Reclassify the reporting relationship of the Network Specialist to indicate direct supervision provided by the Project Manager.
- It is recommended that the labor associated with the meter reading and field customer service functions be reallocated to the proposed Finance and Administration

Department. The Customer Service and Field Services staffs routinely manage all customer and internal generated service orders. New meter installation, conversion of meters to automated reading and “tagging” or “lock-off” of meters for non-payment are interrelated to the Customer Service and Finance functions. The labor impacts associated with conversion to monthly meter reading has reduced the available labor that was originally assigned to the maintenance functions by approximately 1,200 hours annually. The reallocation of labor to this area will allow the District to accelerate its meter replacement program in line with industry standard’s 10-year replacement schedule. (See Staffing Study Issues and Findings, No. 19).

- Create a new Lead Field Service Representative (Lead FSR) position reporting to the Director of Finance and Administration responsible for all meter services and field services program management. This position may be filled through an internal recruitment.
 - Create a new Lead Customer Service Representative (Lead CSR) position reporting to the Director of Finance and Administration. The Lead CSR will relieve the Director of Finance and Administration of routine customer support functions allowing her to focus on more complicated financial and strategic issues in support of the Board of Directors and General Manager.
 - Retitle the two existing Customer Service/ Field Representatives to Field Service Representatives. Consideration should be given to creating a job series for this classification (FSR I, FSR II and Lead FSR).
 - Retitle the existing Customer Service/Accounts Specialist to Customer Service Representatives (CSR). Consideration should be given to creating a job series for this classification (CSR I and CSR II and Lead CSR).
- It is recommended that a new Accountant position be created in the Finance and Administration Department reporting to the Director of Finance and Administration. In the current organizational structure the Finance Manager is supported largely by a Customer Service/Accounting Specialist with limited support from a Customer Service/Accounts Specialist and is responsible for all finance, accounting, FSLA compliance and budget functions. This also includes purchasing, banking, inventory and fixed asset management and payroll administration. Due to the limited staff hours available, a number of accounting and financial management functions are deferred or not undertaken which include water rate and revenue forecasting, cost accounting and customer account management. A review of how the Finance Manager’s time is allocated indicates that roughly 20% or 400 hours of time is spent on essential financial management functions. This represents a potential deficit of 10-15% of time needed to adequately support this function. Additionally, approximately 20% of the Finance Manager’s time is currently allocated to meeting attendance and meeting preparation. Based on the current Board and Committee meeting structure as well as internal department manager meetings, the time allocated to meeting preparation and attendance is consistent with the demands of the position. Creating the Accountant position will allow the Director of Finance and Administration to focus on higher-level finance and personnel administrative functions. The Finance Manager position is considered an ‘executive management position’ providing strategic leadership support to the Board and General Manager.
 - Create a new Accountant position and job series

- Retitle the Customer Service/Accounting Specialist position to Accounting Technician
- It is recommended that additional maintenance staff be added to the Field Services Section increasing the total staff allocation plan from five to eight full-time positions as follows:
 - Create a second Senior Field Service Worker position reporting to the Distribution Supervisor
 - Create two additional Field Service Worker positions (Reflective of addition of Lompico service area).

The existing and projected maintenance demands of the District's water and wastewater system require a labor commitment sufficient to develop a preventative maintenance program that includes construction related activities such as leak repairs, hydrant repairs, service lateral replacement and simple mainline repair and/or replacement and trench repair. This additional labor requirement correlates to between 6,000 to 7,000 staff hours on an annual basis or slightly more than three full-time positions. (The recommendation provides for an allowance for vacation, sick leave and training). The addition of a second senior level position will also provide additional supervision coverage in the field or in the absence of the Supervisor.

The balance of the maintenance staff should be allocated to system-wide preventative maintenance functions including developing a valve-exercising program, storage reservoir maintenance including float valves, emergency line flushing pump site inspection and facility maintenance.

- It is recommended that a new Field Services Coordinator position be created within the Maintenance and Operations Department. This position would be responsible for such tasks as coordinating initiation and closure of work orders, time keeping for payroll, administrative support for the Director of Operations and department supervisors, coordination of material receiving and payment of invoices with the Finance Department, record keeping, and related administrative activities.
- It is recommended that additional staff be added to the Water Treatment and Systems Section increasing the total staff allocation from six to nine full-time positions as follows:
 - Create two additional Water Treatment and System Operators (One position reflecting addition of Lompico service area).
 - Create a new Electrician position reporting to the Electrician/Instrumentation Technician

The existing and projected maintenance demands of the District's water treatment and production facilities require a labor commitment sufficient to develop a preventative maintenance program that includes the functions identified in the Staffing Study Issues and Findings Section, No. 16. The additional labor requirement correlates to between 6,000 and 7,000 staff hours on an annual basis. (The recommendation provides for an allowance for vacation, sick leave and training).

- It is recommended that the labor and equipment associated with removal of treatment plant sludge by-products be reallocated to outside contractors. Based on interviews with Maintenance and Treatment staff, this will create an opportunity to relocate between 40-60 hours annually to more critical system maintenance functions including preventive and predictive maintenance requirements.
- It is recommended that the labor and equipment associated with maintenance of landscaped areas in or adjacent to District facilities be reallocated to outside contractors. Based on interviews with Maintenance and Treatment staff, this will create an opportunity to reallocate between 70-90 hours annually to more critical system maintenance functions including preventative and predictive maintenance tasks.

Table 'B' on the following page depicts how existing and proposed labor will be allocated across the organizational structure including job titles associated with each function based on the recommendations in this Study. (Development of specific job titles was not part of the scope of the Staffing Study and serve only to represent a "placeholder" for a proposed position.) Table 'C' on the following page depicts the change in staff allocation by department.

Table B

Department	Position Title	No. of Positions
Administration	General Manager	1
	Administrative Assistant/Board Secretary	1
Operations and Maintenance	Director of Operations	1
	Deputy Director of Operations	1
	Field Services Supervisor	1
	Senior Field Services Worker	2
	Field Services Worker I/II	6
	Network Specialist	1
	Water Treatment and Systems Supervisor	1
	Senior Water Treatment and System Operator	2
	Water Treatment and System Operator	4
	Electrician/Instrumentation Technician	1
	Electrician	1
Engineering and Environmental Programs	Director of Engineering and Environmental Programs	1
	Engineering Technician	1
	Environmental Programs Technician/Planner	1
Finance and Administration	Director of Finance and Administration	1
	Human Resources and Safety Coordinator	1
	Lead Field Service Representative	1
	Field Service Representative I/II	2
	Lead Customer Service Representative	1
	Customer Service Representative	2
	Accountant	1
	Accountant Technician	1
TOTAL STAFF		36

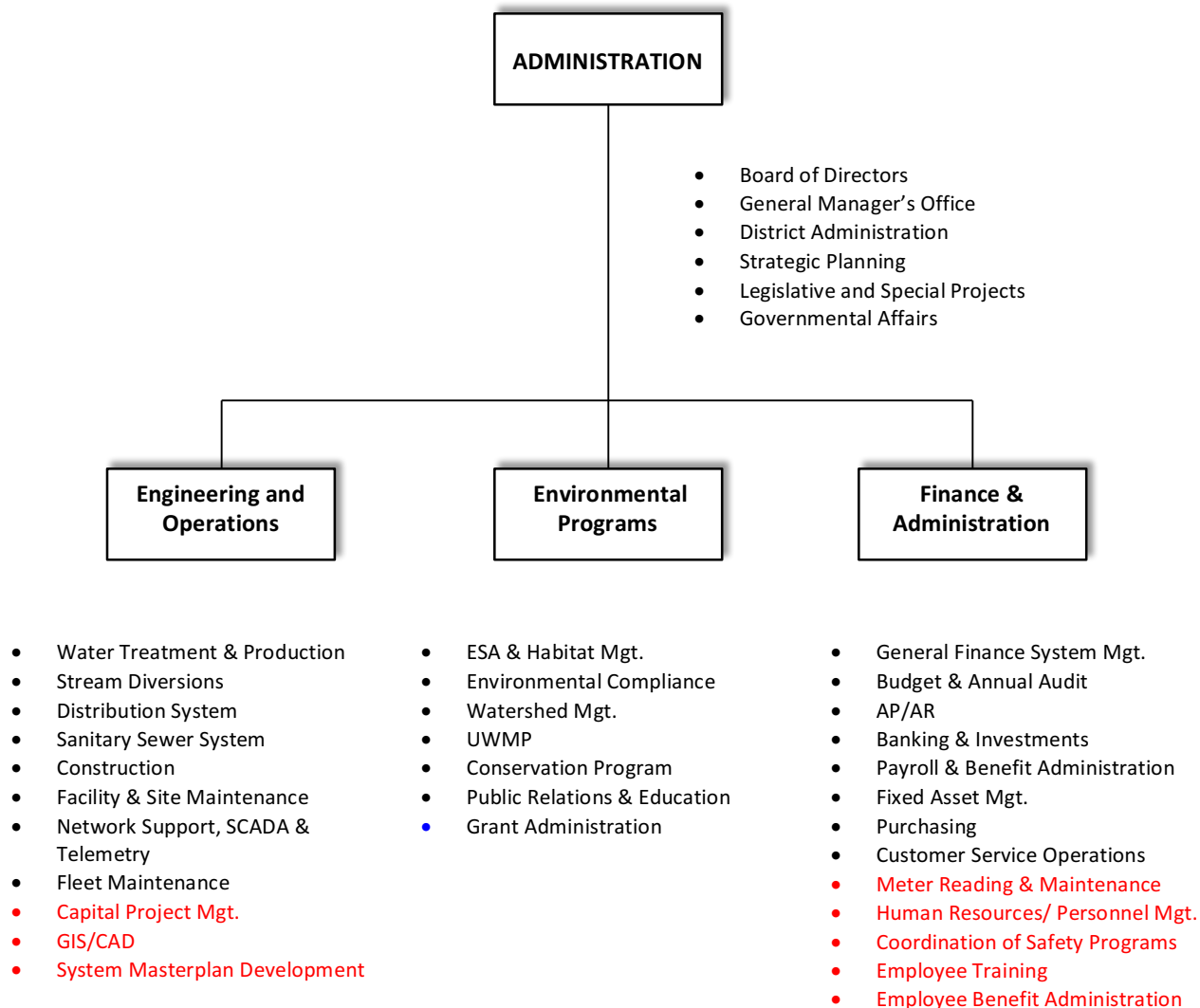
Note To Table B: Positions shown in **BOLD** print represent new positions or retitled positions. The number of positions shown in **BOLD** print reflects a change from the current staffing allocation plan.

Table C

Department	Existing Staff Allocation		Proposed Allocation	
Administration		2		2
Operations and Maintenance	17		21	
Engineering and Environmental Programs		2		3
Finance and Administration	5		10	
TOTALS		26		36

EXHIBITS TO THE STAFFING STUDY

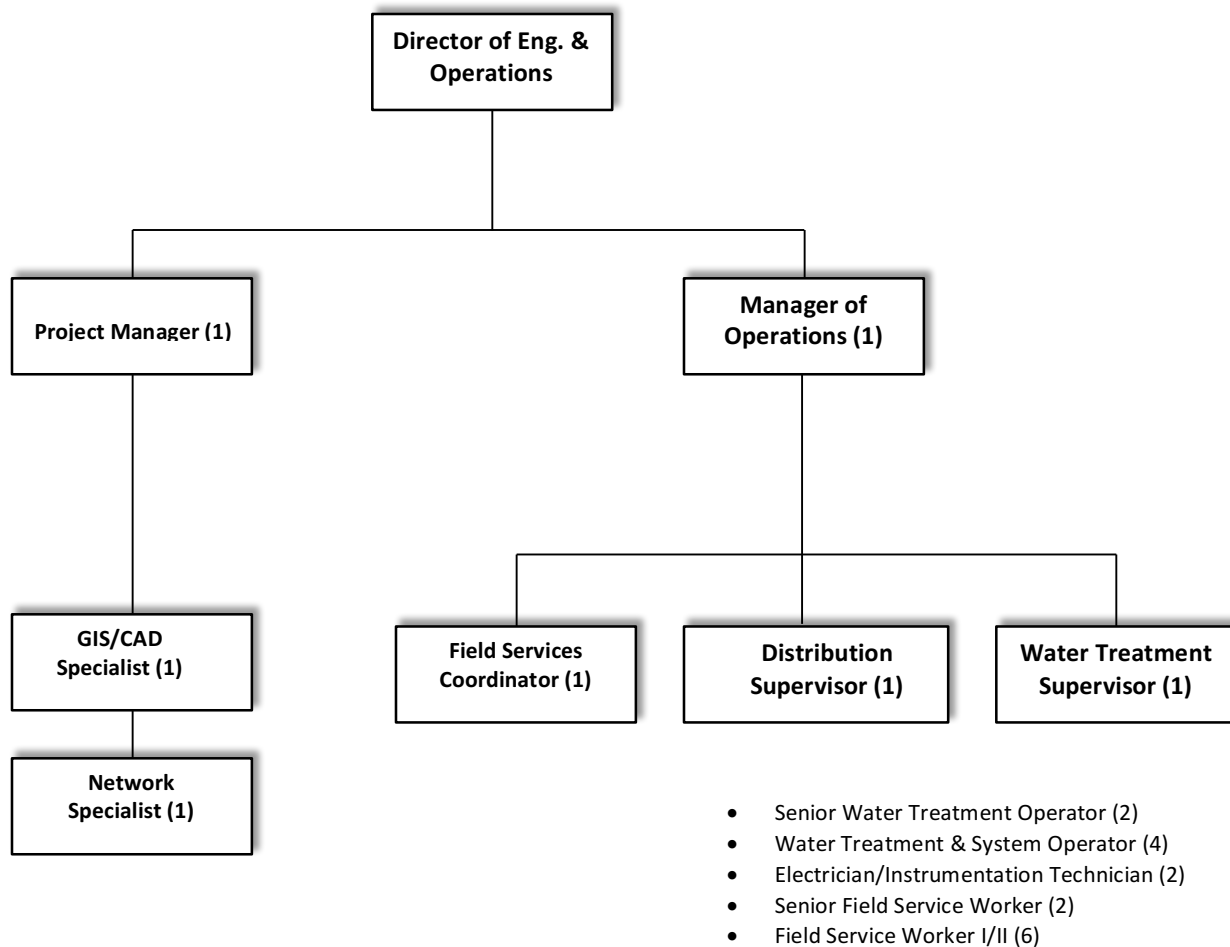
Exhibit 1 – Functional Organization Chart



Notes to Exhibit 1: (1) The Functional Organization Chart is the proposed reorganization of responsibilities by department and function as proposed in the Staffing study.
(3) Individual functions shown in **RED** under the proposed Engineering and Operations and Finance and Administration Departments reflect functions and programmatic responsibilities previously managed in the Operations or Engineering Departments in the current organizational structure.

EXHIBITS TO THE STAFFING STUDY

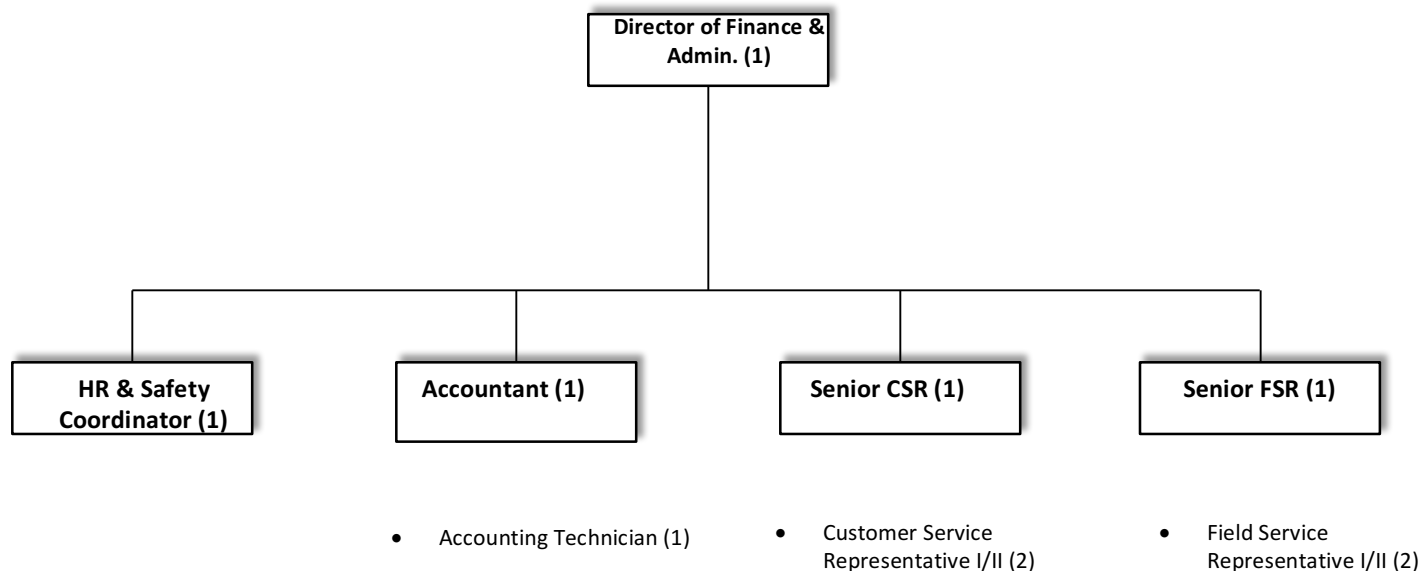
**Exhibit 2 – Engineering & Operations Functional Organization Chart
And Proposed Staffing Allocation Plan**



Notes to Exhibit 2: Current approved staffing allocation plan – 17
Proposed staffing allocation plan - 24

EXHIBITS TO THE STAFFING STUDY

**Exhibit 3 – Finance and Administration Functional Organization Chart
And Staffing Allocation Plan**



Notes to Exhibit 3: FSR – Abbreviation for Field Service Representative
CSR – Abbreviation for Customer Service Representative

Current approved staffing allocation plan – 5
Proposed staffing allocation plan – 10

[illegible]

- 1) Solid color boxes represent existing positions.
- 2) Yellow boxes with red outline represent new positions resulting from Lompico merger.
- 3) Yellow boxes with red outline represent positions funded in the FY 2017 budget.
- 4) Grey boxes represent proposed new position in staffing study.

MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: Discussion and Possible Action on Recommendation to Award
Contract to NBS Consulting for a multi-year Rate Study.

DATE: January 19, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, review the attached proposal and authorize the Board President and District Manager to execute a contract with NBS Consulting to conduct a multi-year Rate Study.

BACKGROUND:

In 2013 the District completed a multi-year rate study and implemented a three-year rate adjustment plan based on the results of said study. The last rate increase resulting from the 2013 study occurred on January 1, 2016.

In 2016 the District awarded a contract to NBS Consulting to conduct a study to assist the District in determining what actual cost are to provide water and sewer service. The study included a review of current operations with recommendations for optimal staffing and capital needs.

It is appropriate for the District to conduct a new rate study using the results of the current cost-of-service study.

Staff requested NBS Consulting to prepare the attached Water Rate Study Proposal for presentation to the Board.

STRATEGIC PLAN:

Element 5.0 – Fiscal Planning

FISCAL IMPACT:

Department 01 – Administration

Account 5200 – Contract / Professional Services

Charge: \$45,780

Budgeted: Yes / \$88,000



870 Market Street, Suite 1223
San Francisco, CA 94102
Toll free: 800.676.7516

nbsgov.com

December 21, 2016

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

SUBJECT: PROPOSAL TO PREPARE A FOCUSED WATER RATE STUDY

Dear Mr. Lee

NBS is delighted to submit our proposal to prepare a “focused water rate study” that will incorporate the recent cost-of-service and financial analysis NBS recently completed for the District. This proposal incorporates our discussions with you about the key attributes that this study will address, in addition to the directions the Budget and Finance Committee provided regarding the cost-of-service study and development of new rates.

This study will focus on rate design tasks that will result in single-digit rate increases, and rate alternatives that adequately fund operating and capital improvement costs over the next 10 years. We will only modify the budget projections and cost-of-service analysis as necessary to adapt them to the new rate alternatives. We will also update water connection fees early on in the study, and will based this update on the District’s existing capital assets and updated CIP analysis that V.W. Housen & Associates prepared.

Although wastewater rates will also be addressed in this study, we recognize that the District is exploring other options. Regardless of the outcome of those other options, our goal in updating wastewater rates will be to develop rates that are easy for customers to understand and the District to administer, and are fully cost-based (i.e., the new rates will reflect the full cost of running that system).

In light of the many legal and drought-related changes in the water industry, we will work closely with you and other District personnel to develop rates that are sustainable and resilient in light of uncertain water demands, and meet the District’s significant capital improvement needs. We also recognize the importance of working closely with the Budget and Finance Committee, a new Board of Directors, and the public as needed in addressing the rate policy issues that typically arise during a study such as this.

Lastly, we understand that “time is of the essence” and expediting completion of the rate study will be necessary for the District to implement new rates by July 1, 2017. We have included a study schedule that outlines the milestones needed to meet this July 1 deadline. I will again be serving as the project manager and key contact for this new work, with support from Carmen Narayanan.

Please review the scope of work and cost proposal, and feel free to contact me at 530.297.5856 or gclumpner@nbsgov.com if you have any questions. We look forward to completing this study and working with you and the District again.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Clumpner".

Greg Clumpner
Director – Utility Rate Practice Group

A handwritten signature in blue ink, appearing to read "Michael Rentner".

Michael Rentner
President & CEO

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1. EXECUTIVE SUMMARY

The San Lorenzo Valley Water District (District) needs to expeditiously complete a rate study based on the recent cost-of-service analysis. The following is an outline of our proposal and an overview of the key issues based on our discussions with District personnel.

Project Understanding and Overview:

Although the District serves three geographically separate service areas within a diverse area encompassing 24 square miles, the District currently uses one set of rates District-wide, which includes a fixed charge by meter size plus a four-tier volumetric rate design¹. This rate design will be evaluated, with the intent of developing rate structure alternatives that best fit the District's financial objectives and are acceptable to the public.

Some of the key study issues that NBS will address include:

- **Confirm the Financial Plan** – Although the recent cost-of-service study developed a financial plan, NBS will modify this as needed to produce a 10-year financial plan and a that will serve as the basis for a detailed three-year rate schedule. To keep rate increases to single-digits, it is likely that major capital project costs will receive only limited funding until after the initial three-year period.
- **Confirm the COS Analysis** – As the rate alternatives are developed, changes in the cost of service analysis will be made as needed (e.g., varying levels of capital costs may affect the final COS allocation percentages).
- **Review Customer Classes** – Customer classes will be evaluated and adjusted as needed. For example, how schools, multi-unit customers, and mobile home parks are billed needs specific evaluation. We will work cooperatively with District staff to complete this evaluation.
- **Fixed vs. Volumetric Charges** – Assigning costs to fixed charges and volumetric (variable) rates impacts both revenue stability and customer bill impacts. The District's initial sense is that fixed charges should not be significantly increased, and that volumetric rates should increase as needed to meet projected annual revenue requirements. NBS will evaluate three alternatives that reflect this approach, including one with lower fixed charges, one with higher fixed charges, and one that reflects the existing fixed charges.
- **Seasonal Water Rates** – The COS study revealed definite seasonal pumping costs and related supply capacity and storage facilities that the District would like to consider in developing seasonal rates. We will develop seasonal rate alternatives in this study, for the District's consideration.
- **Connection Fees** – Based on the District's existing asset records and the updated capital improvement plans prepared as part of the cost-of-service analysis, NBS will prepare connection fees early on in the study, with the goal of completing the analysis by mid-February.
- **Wastewater Rates** – The rates for the small wastewater utility the District manages will reflect its full cost of service. The wastewater rate analysis will need to be completed as soon as possible, so that any District budget and administrative changes can be incorporated into the new rates.
- **Schedule** – NBS assumes the study will follow a schedule leading to implementation of new rates by July 1, 2017 (please see Section 5). District staff have committed to making timely decisions and providing the necessary direction to make this schedule viable.

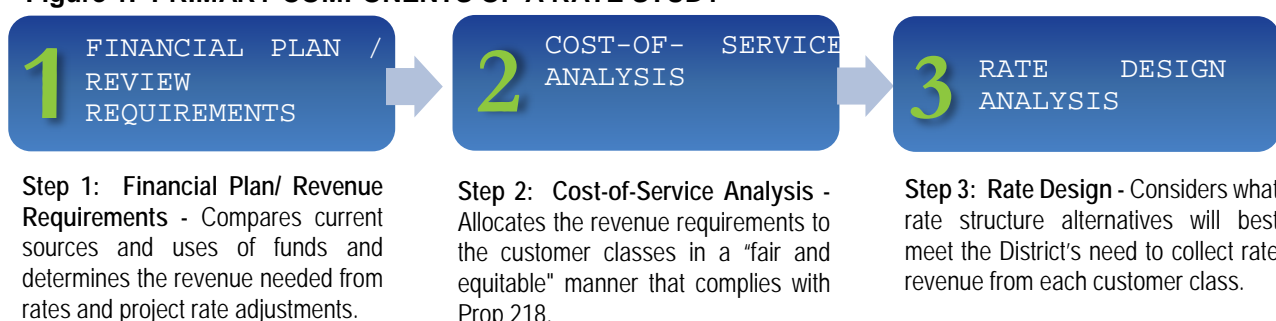
¹ Some customers have a flat volumetric rate, and there are other miscellaneous rates for multi-unit customers.

2. PROJECT DESCRIPTION

Project Objective and Approach

A rate study generally includes the three primary tasks that are summarized in Figure 1: (1) preparing financial plans and revenue requirements related to the long-term system needs, (2) allocating the revenue requirements to customer classes, and (3) evaluating rate design alternatives. The first two tasks were addressed in the cost-of-service study; therefore, this study will focus on the third task, although adjustments to financial plans and the cost of service analysis will be made as needed. The scope of work covering the third component is outlined below.

Figure 1. PRIMARY COMPONENTS OF A RATE STUDY



Task 1. Data Collection

The intent of this task is to work with District staff to efficiently obtain the necessary data and confirm study objectives, tasks, and schedule. Task deliverables Include:

- Data request to District staff prior to the kick-off meeting.
- Kick-off meeting (via phone conference) with District staff.
- Preliminary plan for Board workshops and public outreach.

Task 2. Confirm Financial Plan

NBS will use the financial plan prepared during the cost-of-service (COS) study, but will incorporate modifications to revenues, expenditures, reserves, and related costs as needed to develop acceptable rate alternatives.

Task 3. Confirm Cost-of-Service Analysis

The COS analysis will be reviewed and modified as necessary in light of new rate alternatives.

Task 4. Calculate Wastewater Rates

The wastewater system serves a small number of customers and will need to reflect their full cost of service. These rates will be calculated as soon as possible based on industry standards and principles, so that any District budget and administrative changes can be incorporated into the new rate structure.

Task 5. Water Rate Design Analysis

NBS will work with District staff to review the current water rate structure and prepare three rate alternatives that meet the District's broader rate design goals and objectives. The following subtasks are anticipated for this analysis:

Develop Rate Alternative Recommendations – Water rate alternatives will be developed based on the financial plan/revenue requirements and COS analyses, and will include a discussion of the relative merits (pros and cons) of the new alternatives vs. the current water rate structure. This discussion and analysis will include issues such as the amount of revenue collected from fixed charges vs. volumetric rates, the price differential between tiers (if tiers are part of the alternatives), the total quantities of water included in each tier, and the amount of revenue collected in each tier.

We note that the San Juan Capistrano case requires the District to demonstrate a cost-basis for tiered water rates. This will require, in addition to detailed consumption data, costs and quantities of sources of supply and how those are allocated to customer classes and tiers.

Criteria for Improving the Rate Design – Revenue sufficiency and stability are critical components to consider when evaluating rate designs. There are a number of criteria that NBS will discuss with District staff in considering new rate structures, including:

- How costs allocated to fixed and volumetric rates affect revenue stability.
- How decreased water usage (conservation) has, and will likely continue to affect new rates.
- How summer peaking patterns are reflected in water rate design.
- How meter sizes are used in calculating fixed charges.
- The number of tiers that should be implemented.
- The amount of revenue that should be collected within each tier.
- How “price elasticity” responses to rate increases may impact rates.
- Impacts on customer monthly bills.

The rate structure alternatives selected will, in the end, provide the basis for comparing monthly customer bills under both the current and new rate structures. However, all rate structures will be “revenue neutral” because they will all collect the same amount of revenue, both in total and within each customer class.

Evaluation of Consumption Patterns – Assuming the District has readily-available data, NBS will perform a detailed analysis that will identify the *number* of customers at various levels of consumption and the *total water use* that occurs within each tier. The District’s most recent water consumption data will be used for this analysis.

This type of data analysis ensures an accurate projection of the revenue that will be collected within each tier, and allows for testing various rate structure alternatives (for example, changing tier breakpoints and rates) in order to accurately design water rate tiers and recover sufficient revenues.

Calculate Fixed and Volumetric Charges – Fixed costs consider the number of accounts, equivalent meters, and the number and size of meters. In contrast, variable costs are typically allocated in proportion to consumption. We note that although a strict cost-of-service methodology would determine the percentages of rate revenue collected from fixed and variable rates, other factors are typically considered in this process. Other factors include revenue stability, water conservation goals, ease of understanding, and ease of administration.

NBS will recommend a rate structure that provides a balance between fixed and variable charges, with one alternative that is intended to recover all or a significant portion of fixed costs from fixed charges and variable costs from volumetric rates.

Figures 2, 3 and 4 illustrate how the rate-design analysis recovers customer costs based on the total number of meters, capacity costs from each meter size based on the hydraulic capacity, and how commodity costs are recovered from customers based on water consumption. However, the District’s water supply costs and quantities will need to be examined and incorporated into the tiered rate design analysis.

Figure 2. Generic Example of Fixed Charges Calculations

Meter Size	Number of Meters	Hydraulic Capacity Factor ¹	Total Equivalent Meters	Fixed Service Charges		
				Customer Costs (\$/Acct/ mo.)	Capacity Costs (\$/Acct/ mo.)	Total Fixed Service Charge
5/8 x 3/4 inch	34	0.67	23	\$4.50	\$6.51	\$11.01
3/4 inch	30,207	1.00	30,207	\$4.50	\$9.76	\$14.26
1 inch	14,295	1.67	23,825	\$4.50	\$16.27	\$20.77
1 1/2 inch	1,280	3.33	4,267	\$4.50	\$32.55	\$37.05
2 inch	2,314	5.33	12,341	\$4.50	\$52.07	\$56.57
3 inch	190	10.00	1,900	\$4.50	\$97.64	\$102.14
4 inch	96	16.67	1,600	\$4.50	\$162.73	\$167.23
6 inch	30	33.33	1,000	\$4.50	\$325.46	\$329.96
8 inch	62	53.33	3,307	\$4.50	\$520.73	\$525.23
10 inch	8	80.00	640	\$4.50	\$781.10	\$785.60
Total	48,516	--	79,109	--	--	--

Figure 3. Example of Commodity Rate Calculations

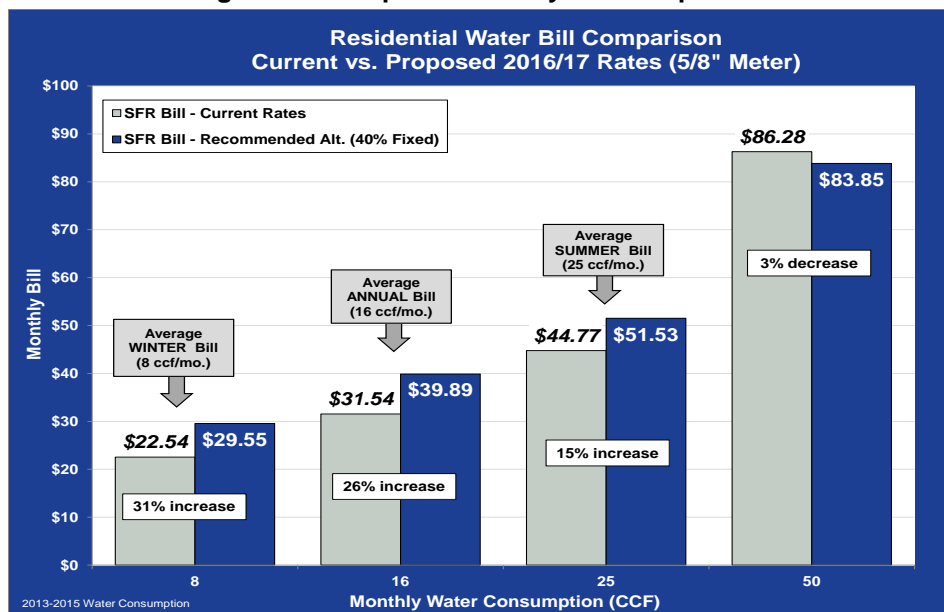
Customer Class	Number of Meters	Water Consumption (hcf/yr.)	Target Revenue Requirement	Uniform Rate	Proposed Rate Structure
Single Family Residential	11,508	1,749,046	\$ 5,610,421	\$3.21	<i>Tiered</i>
MFR, COMM, IND & Other	2,070	2,291,391	\$ 7,413,320	\$3.24	<i>Uniform</i>
Total	13,578	4,040,437	\$13,023,741		

Figure 4. Example of Single-Family Residential, Three-Tier Rate Calculations

Tier	Tier Break	Water Consumption (hcf/yr.)	Costs Allocated to Tiered Rates			Tiered Rates
			Commodity	Additional Capacity	Additional Supply	
Tier 1	8 hcf	970,381	\$ 2,362,515	\$ -	\$ -	\$2.43
Tier 2	15 hcf	445,764	\$ 1,085,269	\$ 505,198	\$ -	\$3.57
Tier 3	--	332,901	\$ 810,490	\$ 557,708	\$ 289,242	\$4.98
Total		1,749,046	\$ 4,258,274	\$ 1,062,906	\$ 289,242	

Prepare Monthly Bill Comparisons – We will prepare an analysis of monthly water bills for various types of customers, such as single-family customers with low-, average-, and high-water usage under each rate alternative evaluated in the study. This analysis is useful when evaluating the effects of different rate structures on customers, as illustrated in Figure 5.

Figure 5. Example of Monthly Bill Comparison



Seasonal Water Rates – NBS will evaluate the costs associated with seasonal rates that will send a message to customers that summer time water consumption carries a higher cost of service related to pumping costs, peaking supply facilities, and additional storage. We will work with District staff to review the various options for how this is implemented (i.e., surcharges, higher tiered rates vs. winter rates, etc.).

Task 6. Connection Fee Analysis

NBS will prepare water connection fees that are consistent with applicable legal requirements and industry standards and appropriately recover infrastructure costs from new development.

Overview of Connection Fees – In its simplest form, connection fees are the result of dividing the cost (or value) of the system's current capacity plus planned capital improvements by the expected number of new customers. The two most common approaches are often referred to as (1) a "buy-in" approach, whereby new users pay for their fair share of existing system assets that were paid for by current customers, and (2) an "incremental" approach that assumes capacity fees fully recover the costs of all new (or "incremental") system facilities required to provide them sufficient capacity in the system. NBS will develop an appropriate methodology that reflects planned capital improvements and projected growth.

Asset Values – The actual methodology of estimating the value of existing system assets (for example, collection, pumping, and treatment) is important to the outcome. NBS will use the replacement-cost-less depreciation approach to estimate the value of the District's assets.

New Connection Fees - Once the value of the existing and planned assets is estimated, NBS will allocate these values to existing and new customers and divide this amount by the system capacity, which is typically measured in equivalent dwelling units (EDU's). This calculation determines the maximum cost the District can charge per EDU for a new residential connection.

NBS will consider two methods of estimating the capacity available to future customers: (1) calculate all available remaining capacity, and (2) calculate expected number of units that would be added to the system. This second approach could be less than the available remaining capacity. For example, if there are 5,000 EDU's of remaining capacity in the system, but realistic growth is only 3,000 EDU's, then the smaller number

would be used to calculate the capacity fee. Based on this analysis, NBS will review the new connection fees with District staff and recommend the alternative that best meets its needs.

Task 7. Meetings and Written Study Report

NBS will provide the necessary meetings as well as a study report as follows:

- Six meetings, which include those with District staff, the Budget and Finance Committee, or public meetings with the District Board (workshops and/or special meetings).
- Draft and final study reports; after discussions and review by District staff, comments on the draft report will be incorporated into the final report. The final report (10 hard copies and an electronic file) will provide a clear, concise and overview and sufficient documentation, and include:
 - An executive summary
 - Tables, graphs, and charts as appropriate
 - Findings and recommendations.
 - Overall study methodology, with reference to AWWA M1 Manual and industry standards as needed.
 - Description of the capital improvement program, as provided by the District.
 - Appendix with supporting justification in the form of calculation tables that a judge and general public could understand.

Task 8. Prepare a Final Rate Model

NBS will provide a final Excel model as final documentation of all data sources, calculations, and results, along with a four-hour training time with staff. The model will also include footnotes and comments identifying data sources, key assumptions, and directions.

3. PROJECT ORGANIZATION AND EXPERIENCE OF THE PROJECT TEAM

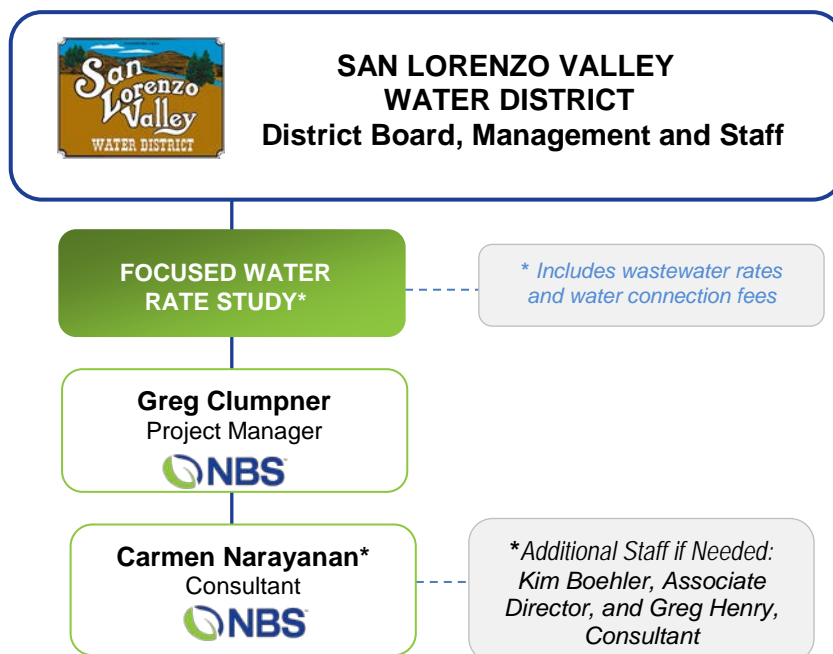
Key Personnel and Structure

The following staff will perform professional services in support of the project team.

Organizational Chart

The NBS project team includes the staff that work together on the cost-of-service study for the District. The functional relationships of our proposed project team are detailed in Exhibit A.

Exhibit A. NBS Project Team for the San Lorenzo Valley Water District



Project Team

NBS staff has an in-depth understanding and applications of the laws and requirements affecting municipal water and sewer agencies, including Proposition 218. Recognized as leaders in their field, they are often asked to teach continuing education courses. In addition, NBS works cooperatively with its clients as partners, developing an understanding of their needs and concerns, and strive to develop the best solutions for the issues at hand.

The NBS project team provides a committed senior project manager and experienced local staff, which will be critical to the success of this project:

GREG CLUMPNER, PROJECT MANAGER

Project Role and Responsibilities: Mr. Clumpner will manage and direct the technical aspects of the study and will work closely with the District Manager to develop the overall approach, consisting of technical rate alternatives best suited to the District's needs, creative options to consider, final report and presentations to various staff members, and if necessary, the District's Board and public. Mr. Clumpner's role will play a central part in evaluating alternatives and will bring a creative approach in order to provide the best solutions to District' rate issues.

Summary of work experience: Mr. Clumpner's 30-year professional career has focused on financial and economic analyses for municipal water, wastewater, and recycled water agencies. His experience includes 16 years at engineering firms where he was involved in a broad range of water system planning and development tasks, include reservoir planning and feasibility analysis, economic and financial feasibility studies for water and sewer upgrade and expansion projects, and issuance of new debt (as part of financial teams that issued over \$500 million in new debt).

As the Director of the Utility Rate Practice at NBS, he is also a regular presenter at water and wastewater industry conferences on topics such as rate design, conservation rates, and utility financial management topics. Additionally, Mr. Clumpner has served on the utility rate advisory committee for the City of Davis and was the Chair of the Davis Planning Commission for over two years. He also works with legal counsel on an on-going basis; he knows the general legal constraints as well as when to solicit critical legal input to ensure alternatives will meet specific legal requirements.

CARMEN NARAYANAN, CONSULTANT

Project Role and Responsibilities: Under the direction of Mr. Clumpner, Ms. Narayanan will assist with data collection and analysis, initial aspects of the financial model and cost-of-service analyses, and will help with other tasks as needed.

Summary of work experience: Ms. Narayanan offers six years of combined experience in financial analyses, budgeting and financial projections, as well as general business management. She provides support to project teams completing water and wastewater utility rate studies and capacity fees, including development of financial models, budget projections, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, and performing initial cost-of-service analysis.

KIM BOEHLER, ASSOCIATE DIRECTOR

Project Role and Responsibilities: Kim Boehler is an experienced project manager who brings over 10 years of experience at NBS in municipal financial consulting and has focused over the last 7 years exclusively on cost-of-service and rate design analysis for water and wastewater utilities. Kim can provide additional assistance with data analysis, developing of the financial models, analysis of the rate alternatives, and other aspects of this study.

Summary of work experience: With over 10 years in NBS' Financial Consulting practice and over 90 similar studies in California, Ms. Boehler prepares water and wastewater utility rate and capacity fee studies for cities and special districts throughout California. Ms. Boehler is responsible for developing financial models, cost-of-service analyses, designing rate structure alternatives, related financial analyses and public presentations. She works directly with Mr. Clumpner on a daily basis performing similar rate studies.

GREG HENRY, RATE ANALYST

Project Role and Responsibilities: Under the direction of Mr. Clumpner, Mr. Henry can provide additional assistance as needed to perform data collection and analysis, help develop the cost-of-service and rate design analyses, and will help with other tasks as needed.

Summary of work experience: Mr. Henry offers 5 years of experience in financial analyses, budgeting and financial and rate projections for a California municipality, as well as experience in drought planning. He provides support to project teams completing water and wastewater utility rate studies and capacity fees, including development of financial models, budget projections, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, and performing cost-of-service analyses.



RESUME HIGHLIGHTS

- 30-years of experience in financial and economic analyses
- Consulting practice focuses on municipal water, wastewater, and recycled water utilities
- Completion of over 300 rate studies

EDUCATION

- M.S., Agricultural/Managerial Economics, U.C. Davis, 1983
- B.S., Environmental Planning, UC. Davis, 1977

PROFESSIONAL AFFILIATIONS

- Vice-Chair, City of Davis Utility Rate Advisory Committee
- Former Chairman, City of Davis Planning Commission
- Past President, Sacramento Economics Roundtable
- Association of California Water Agencies (ACWA), Member
- American Water Works Association (AWWA), Member

RECENT SPEAKING ENGAGEMENTS

- “Fiscal Health vs. Pricing for Conservation” (Panel Discussion, Finance Session Planning), ACWA Fall Conference, Indian Wells, December 2015.
- “What’s in Your Rates? Drought? Recycled Water? Social Justice?” – AWWA/ACE 2015 National Conference, Anaheim, CA, June 2015.
- “The California Drought – What’s in Your Rates?” – Calif. Municipal Finance Officer Association, February 2015.
- “Water Rates: Fairness, Equity and ‘Social Justice’?”, NBS Primer, 2014

BIOGRAPHY

Mr. Clumpner’s 30-year professional career has focused on financial, economic, and cost-of-service rate analyses for municipal water, wastewater, recycled water and solid waste agencies. He regularly presents technical papers at industry conferences and client workshops. His practice has increasingly focused on management consulting related to municipal utility operations and capital improvements.

- **Utility Cost-of-Service Rate Studies:** Mr. Clumpner has prepared more than 200 multi-year financial plans, cost-of-service analysis, and rate design studies as well as conservation-oriented water rates, funding analysis for water, sewer, and solid waste utilities. These rate studies have primarily been for California clients, although he has also completed projects in Malaysia, Sri Lanka, Egypt, and Mexico.
- **Management Consulting & Strategic Planning:** His management consulting and strategic planning experience includes system operations, financial analyses, and long-term funding strategies for municipal agencies. He also has an extensive background in system valuations of capital facilities and systems, facility acquisitions, and municipal versus private operations.
- **Project Financing/Bond Feasibility Studies:** His financing/bond feasibility study experience includes successfully preparing bond feasibility reports resulting in the issuance of more than \$500 million in revenue bonds to finance the acquisition or construction of municipal facilities.

“You have done a great job on this project, especially with the challenges we faced. I would be happy to serve as a client reference whenever needed in the future. Please have any of your prospective clients call me.”

JIM ABERCROMBIE
GENERAL MANAGER
EL DORADO IRRIGATION DISTRICT

[Greg Clumpner served as the Project Manager in completing a Cost-of-service Study of Water, Sewer and Recycled Water Rates for the District]



RESUME HIGHLIGHTS

- Over ten years of experience
- Over 90 cities, counties, and special districts served
- Specialist in financial, rate and cost analysis for municipal water and wastewater utilities
- American Water Works Association (AWWA), Member

EDUCATION

- Bachelor of Science, Business Administration and concentration in Finance, California State University, San Bernardino, 2004

SPEAKING ENGAGEMENTS

- “How Conservation, the Drought and Legal Issues Are Changing the Landscape for Rate Setting in California,” American Water Works Association Water Education Seminar, August 2016
- “Conservation, the Drought and Social Justice,” California Water Environment Association Annual Conference, April 2016
- “Brown Lawns and the Changing Landscape of California Water Rates: Next Steps?” AWWA CA-NV Section Spring Conference, March 2016
- “Water and Sewer Rates: from Defensibility to Tailor Made Rate Design,” CSDA Annual Conference, September 2015
- “Basic Rate Making Principles and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2015
- “Recycled Water Pricing Methodologies”, CWEA, May 2014 (co-presented with Greg Clumpner)
- “Drought Impacts and Recycled Water Pricing” and “Water and Sewer Rate Studies and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2014
- “Water and Sewer Rate Studies and Key Issues Affecting Rates in California,” American Water Works Association Water Education Seminar, August 2013
- “Financial Viability and the “New Normal” - The Unique Challenges of California Sewer Agencies” and “Maintaining Financial Viability in the Face of the “Perfect Storm” – Meeting the Challenges in California Today,” CWEA, April 2012

“... Kim Boehler displayed the superb technical knowledge needed to complete the study. Further, the willingness of each of you to go above and beyond most expectations by grinding through multiple iterations of the study as requested by the City on short notice was exemplary.”

CITY OF REDDING
KENT MANUEL
SENIOR PLANNER

[Kim Boehler served as the primary consultant in completing a multi-utility rate and connection fee study for the City]

BIOGRAPHY

Kim Boehler is an Associate Director in NBS' Utility Rate Study Practice. Her primary area of expertise is performing financial and cost-of-service rate analyses for municipal water and sewer utilities. Ms. Boehler manages water and sewer utility rate and capacity fee studies for cities and special districts throughout California, and has completed over 90 water and sewer studies. Her high level of expertise in developing financial models, cost-of-service analyses, rate structure alternatives, and related financial analyses is essential for assisting clients in implementing new utility rates.

Kim regularly presents at industry conferences, client workshops, and public meetings. She also has a broader understanding of agency funding needs through her work completing cost allocation plans, user fee studies, and special financing district administration services.

RESUME HIGHLIGHTS

- Six years of management experience and knowledge of Finance and Accounting methods.
- Extensive experience working with analysis software, databases, and spreadsheets.

EDUCATION

- Master of Business Administration, University of California, Davis Graduate School of Management
- Bachelor of Business Administration, University of Montevallo

BIOGRAPHY

Carmen Narayanan is a Consultant at NBS for the Financial Consulting Group's Utility Rate Practice. She offers six years of combined experience in annual financial analyses, annual budgets and projections, as well as business and general office management.

Ms. Narayanan provides support to project teams completing water and wastewater utility rate studies, cost allocation plans and user fee studies for cities and special districts in California. Ms. Narayanan provides support for the development of financial models, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, performing cost-of-service analysis and rate design for utility rate studies. Ms. Narayanan's years of technical skills are essential to the work performed by NBS.

Prior to working at NBS, Carmen held various management positions, which included operations, finance and accounting expertise.

RELEVANT PROJECT EXPERIENCE

- City of Benicia, Water and Sewer Rate Study
- City of Davis, Sewer Rate Study
- City of Lancaster, Recycled Water Rate Study
- City of Morgan Hill, Water and Sewer Rate Study
- City of Sacramento, Impact Fee Study
- City of Seal Beach, Water and Sewer Rate Study
- City of Sunnyvale, Water Rate Study
- City of Vallejo, Water Rate Study
- City of Victorville, Water Rate Study
- City of Yuba City, Water and Sewer Rate Study
- Cucamonga Valley Water District, Water and Sewer Rate Study
- Hidden Valley Lake Community Services District, Water Rate Study
- Pajaro Sunny Mesa, Water Rate Study
- San Francisco Public Utilities Commission, Power Rate Study
- Sonoma County Water Districts, Water Rate Study
- Twentynine Palms Water District, Water Rate Study
- Valley of the Moon, Water Rate Study



RESUME HIGHLIGHTS

- Five years of experience and knowledge of financial and economic analysis
- Over three years of hands-on work experience in a local agency setting, within water and sewer enterprise and general funds
- Extensive experience with analysis software, databases and spreadsheet programs

EDUCATION

- Chartered Financial Analyst Level 3 Candidate
- Master of Science, Mathematics, University of Houston, 2004
- Bachelor of Arts, Mathematics, Mississippi State University, 2002

BIOGRAPHY

Greg Henry is a Rate Analyst at NBS for the Financial Consulting Group's Utility Rate Practice. He has extensive experience with financial and statistical analyses and modeling. This includes long term financial forecasting, net present value modeling for capital projects and budget analysis. Further, in his previous position as a management analyst for a California municipality, he examined completed utility rate studies to quantify accuracy and verify the results and conclusions.

Mr. Henry is an expert in manipulating utility billing software to extract and prepare data for utility rate studies, acting as the primary analyst for a municipal agency for two water and sewer rate studies. In addition, he developed a model to determine future revenue losses due to drought and develop drought rates to help off-set the projected water conservation by utility customers.

Mr. Henry provides support to project teams completing water and wastewater utility rate and fee studies, cost allocation plans and user fee studies for cities and special districts in California. Mr. Henry provides support for the development of financial models, establishing revenue requirements, multi-year financial plans, rate adjustment strategies, performing cost-of-service analysis and rate design for utility rate studies. His high level of expertise in various spreadsheet and database platforms is utilized in providing the support, documentation, and analysis required as deliverables to NBS clients. Mr. Henry's technical skills are essential to the work we perform and are utilized in analyzing and manipulating large and complex data sets extracted from client information systems, operating and capital budgets and staffing or systems plans.

RELEVANT PROJECT EXPERIENCE

- Arvin Community Services District, Water Rate Study
- City of Azusa Light and Water Department, Water Rate Study
- City of Benicia, Water and Sewer Rate Study
- City of Colton, Water Rate and Connection Fee Study
- City of Colton and Grand Terrace, Sewer Connection Fee Study
- City of Davis Sewer, Rate Study
- Montecito Water District, Water Rate Study
- City of Morgan Hill, Water and Sewer Rate Study
- Mountain House Community Services District, Water and Sewer Rate Study
- Napa Sanitation District, Sewer Rate Study
- City of Pasadena, Water Rate Study
- Rowland Water District, Water Rate Study

4. EXPERIENCE AND PAST PERFORMANCE

We encourage the District to check our references. Below are the references for three recent projects you have requested. *Final work products are submitted separately as PDF files.*

CITY OF REDDING, CA WATER, SEWER, AND SOLID WASTE RATE AND IMPACT FEE STUDY



NBS completed an extensive and highly visible cost-of-service study of water, sewer, and solid waste rates and system capacity charges (*and has been selected to update this study in 2016*). The City had not conducted a cost-of-service rate study in over 15 years, and this study addressed City policies and overall objectives in developing rate structure alternatives for the City to consider. A key part of this study was working with a City Council appointed Citizens Advisory Group that reviewed rate alternatives and provided recommendations to the Council. Key tasks included preparing financial/rate setting policies, financial plans, projecting net revenue requirements, cost-of-service analyses, and alternative rate designs.

Client contact: Kent Manuel, Development Services Manager
Address: 777 Cypress Ave., Redding, CA 96001
Phone & Email: 530.225.4170 | kmanuel@ci.redding.ca.us
Budget/Cost: \$160,000
Schedule: 14 months, completed in August 2013

City of Redding
KENT MANUEL
Senior Planner

"As expected, both you and Kim Boehler displayed the superb technical knowledge needed to complete the study. Further, the willingness of each of you to go above and beyond most expectations by grinding through multiple iterations of the study as requested by the City on short notice was exemplary."

CITY OF MORGAN HILL, CA COMPREHENSIVE WATER & WASTEWATER RATE STUDY



The City retained NBS in June 2015 to conduct comprehensive water and wastewater rate studies for a number of reasons, including meeting long-term revenue requirements, ensuring revenue stability in water rates, providing adequate funding for capital improvements, and ensuring rates comply with applicable laws, including Proposition 218. The rates developed in this study meet Proposition 218 requirements and were developed based on industry standards, including recent court rulings (e.g., the San Juan Capistrano case) affecting how the cost basis for water rates must be established. In developing proposed new water and wastewater rates, NBS worked cooperatively with City staff and the City Council in developing rate study alternatives and results, including develop new elevation zonal surcharges intended to recover costs related to service in three main elevation zones. Review of study results and recommendations included two City Council workshops and subsequent public meetings with the City Council. The final rate study report was completed in December 2015 and is currently undergoing the Prop 218 approval process.

Client contact: Karl Bjarke, Public Works Director
Address: 17575 Peak Avenue, Morgan Hill, CA 95037
Phone & Email: 408.776.7332 | Karl.Bjarke@morganhill.ca.gov
Budget/Cost: \$74,000
Schedule: 9 months, completed in January 2016

CITY OF SAUSALITO, CA SEWER AND DRAINAGE SYSTEM RATE STUDY



NBS completed a cost-of-service rate study for the City's sewer and drainage utilities that accomplished (1) Conversion of sewer rates from equivalent dwelling units (EDUs) to a similar rate structure that relies on average winter consumption to determine EDUs, (2) Financial planning that provided solid long-range funding for capital improvement plans and CIP projects, (3) Equity and fairness of rates, particular as they relate to Prop 218 and (4) Storm drainage fees that address longer-term capital funding requirements. As a part of this study, NBS projected revenues and expenditures, developed net revenue requirements, evaluated cost-of-service cost allocations and rate design alternatives. Three appendices at the end of the report documented the results, including key tables and figures.

Client Contact: Charlie Francis, Finance Director
Jonathan Goldman, Public Works Director
Address: 420 Litho Street, Sausalito, CA 94965
Phone & Email: 415.289.4105 cfrancis@ci.sausalito.ca.us JGoldman@ci.sausalito.ca.us
Budget/Cost: \$84,000
Schedule: 9 months, completed in February 2014

Excerpt from the recent

MARIN COUNTY GRAND JURY REPORT ON SEWER SYSTEMS:

Summary: The Grand Jury conducted a survey of all wastewater agencies in Marin (except the park services), with the intention of shedding light on the operational, financial and governance aspects of these agencies. [They] also inquired about [the agencies'] experiences cooperating with each other and their views on consolidation.

City of Sausalito Rate Study: The City of Sausalito completed a Rate Study (February 27, 2014 [conducted by NBS]) and adopted a resolution in March 2014 whereby their rates will be increased over a 5-year period and a volumetric charge, based on annualized winter water consumption, will be incorporated into the base rate. The approach taken by this study could be considered by other agencies looking at rate increases and how to incorporate a usage element.

Grand Jury Findings: The City of Sausalito's Rate Study (February 27, 2014 [conducted by NBS]), presents a combination of fixed and variable fees to meet capital improvement projects and create greater equity among ratepayers.

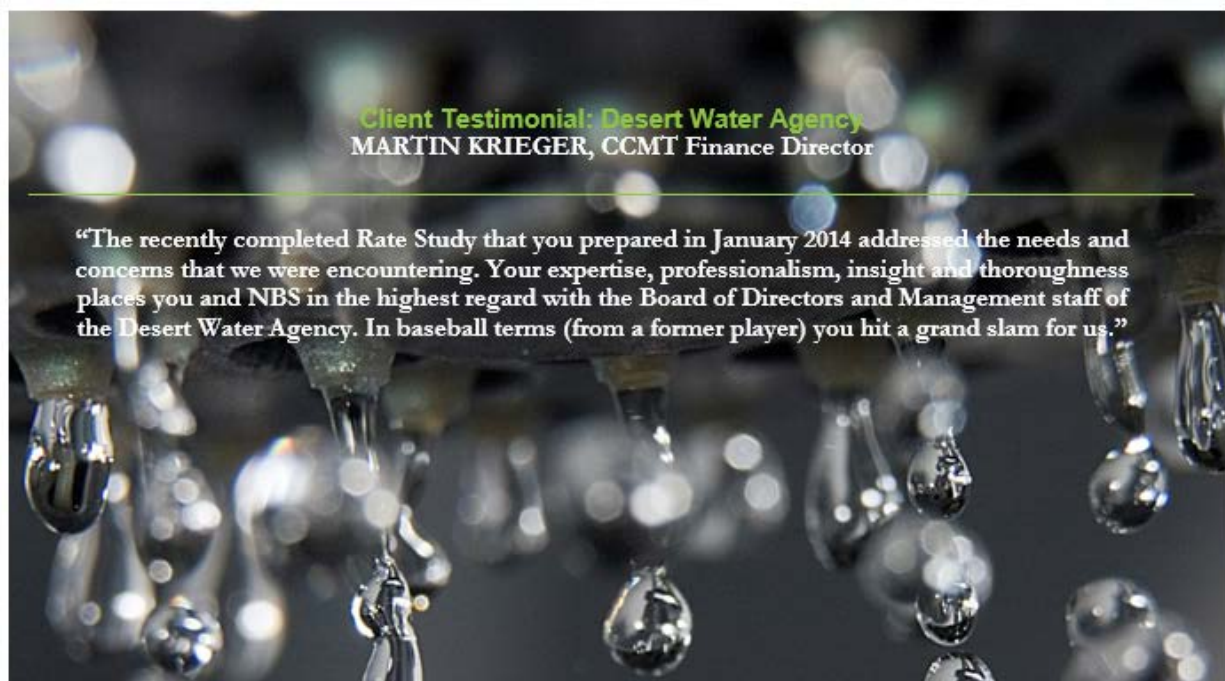
Grand Jury Recommendations: The City of Sausalito share its rate study dated February 27, 2014, with all the collection agencies in Marin County.

Full report: <http://www.marincounty.org/depts/gj/reports-and-responses/reports-responses/2013-14/-/media/Files/Departments/GJ/Reports%20Responses/2013/SewerScoop1.pdf>

Managing Timelines and Project Costs

We understand that budgets and timelines are critical to the success of this study, and our commitment to the District is that our proposed tasks will not cost more than budgeted or take longer than originally planned (to the extent that NBS has control over the schedule). If additional funds are needed due to tasks not included in the proposal, we will discuss this with the District and propose options for revising the budget and/or the scope of work. No additional work will be undertaken prior to approval by the District's project manager.

NBS has standard consulting-industry accounting systems and practices that track consulting hours by task, by team member, and by client. We provide monthly detailed reports and invoicing, but will discuss any particular needs the District may have with regard to invoicing and tracking of costs. Our projects are performed on a time-and-materials basis with not-to-exceed limits, thus guaranteeing that we will not exceed the proposed costs.



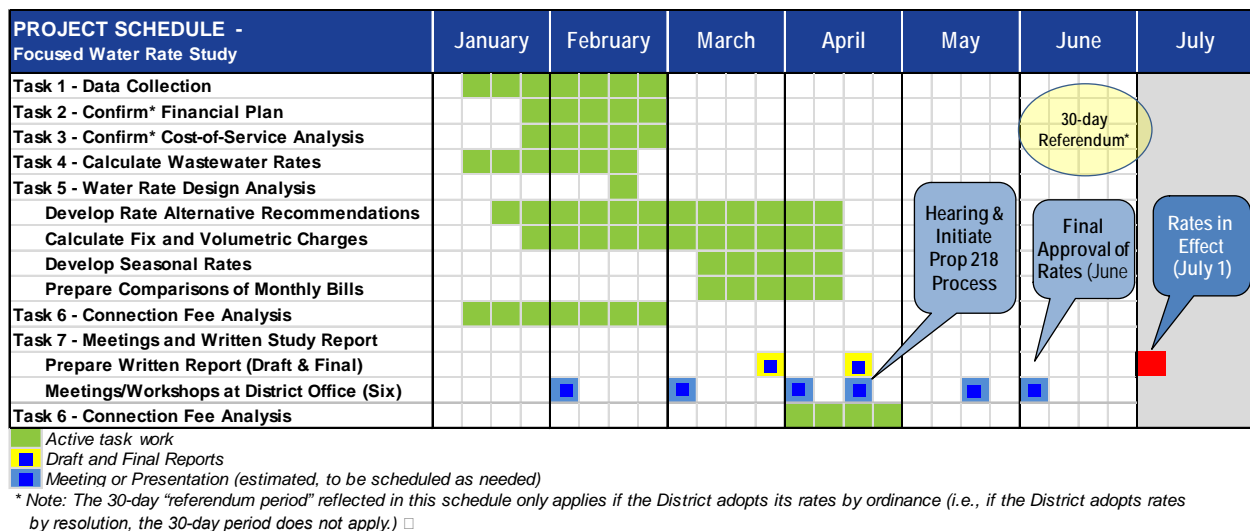
5. PROPOSED BUDGET AND PROJECT SCHEDULE

The proposed study budget and estimated schedule/timeline are shown below.

PROJECT BUDGET (Time and Materials, Not to Exceed) San Lorenzo Valley Water District: Focused Water Rate Study				
Cost of Service Tasks	NBS Labor (Hours)		Total Labor Hours	Grand Total Study Costs
	Project Manager (Clumpner)	Consultant (Narayanan)		
Hourly Rate	\$240	\$150	hrs.	
Task 1 - Data Collection	1.0	6.0	7.0	\$1,140
Task 2 - Confirm* Financial Plan	2.0	6.0	8.0	\$1,380
Task 3 - Confirm* Cost-of-Service Analysis	2.0	4.0	6.0	\$1,080
Task 4 - Calculate Wastewater Rates	8.0	12.0	20.0	\$3,720
Task 5 - Water Rate Design Analysis				
Develop Rate Alternative Recommendations	6.0	10.0	16.0	\$2,940
Calculate Fix and Volumetric Charges	4.0	24.0	28.0	\$4,560
Develop Seasonal Rates	4.0	12.0	16.0	\$2,760
Prepare Comparisons of Monthly Bills	1.0	4.0	5.0	\$840
Task 6 - Connection Fee Analysis	10.0	24.0	34.0	\$6,000
Task 7 - Meetings and Written Study Report ¹				
Meetings/Workshops at District Office (Six)	48.0	12.0	60.0	\$13,320
Prepare Written Report (Draft & Final)	14.0	8.0	22.0	\$4,560
Task 8 - Prepare a Final Rate Model	2.0	4.0	6.0	\$1,080
Task Totals	102.0	126.0	228.0	\$43,380
Reimbursable Expenses**				\$2,400
GRAND TOTAL NOT TO EXCEED	102.0	126.0	228.0	\$45,780

* And adjust as needed to accommodate rate alternatives.

** Travel, lodging and related expenses.



MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: RESOLUTION OF APPRECIATION FOR RANDALL BROWN

DATE: January 13, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and approve the attached resolution of appreciation for Randall Brown, Director.

BACKGROUND:

Randall Brown served on the Board of Directors for the San Lorenzo Valley Water District for 4 years beginning in 2012. The last year of his term he served as President of the Board. Mr. Brown first became associated with the District when he received a grant and penned *The San Lorenzo Valley Water District a History*. His book has been very popular with staff and the public for reference to the past. During Mr. Brown's tenure on the Board he was named 2014 Man of the Year by the San Lorenzo Valley Chamber of Commerce.

It is recommended that the Board of Directors review this memo and approve the attached resolution of appreciation for Randall Brown, Director.

STRATEGIC PLAN:

Element 9.0 – Administrative Management

FISCAL IMPACT:

None

**SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 23 (16-17)**

SUBJECT: RESOLUTION OF APPRECIATION FOR RANDALL BROWN

WHEREAS, on December 6, 2012 Randall Brown took the Oath of Office to serve as Director on the San Lorenzo Valley Water District Board of Directors; and

WHEREAS, Director Brown first became associated with the District when he penned *The San Lorenzo Valley Water District a History*; and

WHEREAS, Director Brown served as President of the Board in 2016; and

WHEREAS, Director Brown was named Man of the Year by the San Lorenzo Valley Chamber of Commerce for displaying that he is a man of dignity, honor and the voice for the people/voters/rate payers of the San Lorenzo Valley; and

WHEREAS, during Director Brown's term as Board President the District received the *District Transparency Certificate of Excellence* from the Special District Leadership Foundation; and

WHEREAS, also during his term on the Board, Interties 2, 3, 4 and 6 were completed; and

WHEREAS, Director Brown was instrumental in the merger with Lompico County Water District; and, numerous other projects; and

WHEREAS, Randall Brown is truly deserving of special honors and the highest commendations for service provided to the San Lorenzo Valley Water District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that Randall Brown is hereby commended for 4 years of devoted and dedicated service as a member of the Board of Directors to the San Lorenzo Valley Water District, that he has the deepest respect of all those who have been privileged to know and work with him, and that his outstanding effort and dedication will be sorely missed.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 19th day of January, 2017, by the following vote of the members thereof:

AYES:
NOES:
ABSTAIN:
ABSENT:

Holly B. Morrison
District Secretary
San Lorenzo Valley Water District

M E M O

TO: Board of Directors

FROM: District Manager

SUBJECT: FINANCE DEPARTMENT STATUS REPORT

DATE: January 12, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Finance Department Status Report.

BACKGROUND:

FISCAL YEAR END

The auditors will be presenting the audits at a special Board meeting on January 17th at 3pm to ensure there is ample time to go over the documents. We have been granted an extension until January 31st to complete the CAFR documents. I am still in hopes we can submit for the award with our fiscal year 2015/16 audit.

CALENDAR YEAR END

With the calendar year end we will have a lot processes going on for completing 1099 and W-2's. As well as any new year changes to employees payroll for MOU, health plan changes etc.

BUDGET

As the new year is coming up quickly, we are starting to prepare for the FY2017/18 budget. We continue to learn and develop the tools in Springbrook and hope to have a much more smooth budget this year, which will include additional support than in prior years.

RATE STUDY

As you can see from the November 2016 consumption, conservation continues and while the conservation is great, it directly impacts our revenue. It is imperative to the financial health of our District that a new rate study be done as soon as possible to ensure adequate rates are in place. The Cost of Service Study provides a full scope of District needs and the District has gone through so many changes since the last rate study that a new one is imperative.

CUSTOMER SERVICE DEPT SUMMARY

Monthly Stats:	Dec	Nov	Oct*	Sept	Aug	July	June	May	April	March	Feb	Jan
Cut In/Outs	76	87	102	87	125	116	123	116	91	84	64	67
Final Bills	36	59	44	54	70	62	74	56	36	60	29	30
Tags	193	205	111	306	362	245	341	310	267	388	372	360
Turn-offs	38	40	23	47	74	46	53	53	52	81	73	67

Online / Going Green

As of 11/9/2016

Online Sign-ups	2,880	2,826	2,772	2,712	2,640	2,585	2,452	2,322	2,277	2,235	2,181	2,125
E-Bills	826	808	783	762	740	721	691	637	626	612	591	551
Auto Pay	1,940	1,924	1,900	1,852	1,786	1,755	1,718	1,658	1,636	1,611	1,596	1,552

*Only one billing cycle was tagged/turned off this month due to timing issues

M E M O

TO: Board of Directors

FROM: District Manager

PREPARED BY: Environmental Programs Manager

SUBJECT: Environmental Status Report

DATE: January 12, 2017

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Environmental Department status report.

BACKGROUND:

WATER RESOURCE STRATEGIC PLANNING

ENVIRONMENTAL DEPARTMENT ACTION PLAN

Staff is working on an Environmental Department Action Plan which forms the fiscal year work program and includes all of the projects and key initiatives prioritized according to the Watershed Management Plan's Part II: Goals, Objectives and Policies. The plan identifies areas which the Department will pursue and for which it will dedicate staff and financial resources. Significant staff resources have been focused on environmental compliance for Capital Improvement, Operations, and State mandated requirements.

CONJUNCTIVE USE PLANNING GRANT APPLICATION

In a collaborative effort with the County of Santa Cruz a Prop 1 Planning Grant application was submitted in late August 2016 to address the following items: 1. Operation of the interties for expanded conjunctive use, 2. Address inefficiencies in the Felton System. 3. Address the ongoing violation for bypass flows on Fall Creek 4. Provide a plan for sustainable groundwater management. 5. Improve stream flow and fish habitat in Fall Creek, Lompico Creek and the mainstem of the San Lorenzo River.

If awarded, grant funds will be utilized for the initial planning phase for conjunctive use projects which would likely include changing water rights, to balance District wide water needs to reduce overdraft on south system wells, while avoiding water right violations on Fall Creek, and enhancing stream flow and fish habitat on Fall Creek and the San Lorenzo River. The grant was submitted in August 2016, we have not yet been notified if we will be awarded the grant.

ENVIRONMENTAL COMPLIANCE

PROBATION TANK

Staff is working with USFWS and the Land trust of Santa Cruz County and Jodi McGraw to finalize the HCP and acquire the permit for construction of the Probation Tank Replacement Project. Details are provided in the memo on December 1, 2016 board agenda. Construction is anticipated to begin April 2017.

FALL CREEK FISH LADDER- BIOLOGICAL ASSESSMENT

Staff is preparing an Initial Study to be submitted to the Army Corps of Engineers. Once submitted it will begin the permit process to acquire a Biological Opinion and a permit to construct the Fall Creek Fish Ladder Improvement Project. We anticipate construction to begin construction in Summer 2018.

2015 URBAN WATER MANAGEMENT PLAN

The final document has been submitted to Department of Water Resources. We have not yet received notice whether the document has been accepted.

SWIM TANKS MITIGATED NEGATIVE DECLARATION

Staff has completed the environmental compliance (CEQA) requirements for the Swim Tank Replacement Project. The project is currently awaiting funding for construction.

WATERSHED MANAGEMENT

KIRBY TREATMENT PLANT RIPARIAN RESTORATION / FELTON LIBRARY OUTDOOR EDUCATION ZONE - UPDATE

The District is working with Linda Skeff who is coordinating CCC and Americorps crews to remove a hybrid blackberry from District property at the Kirby Treatment Plant. The weed removal is part of a joint effort with County Parks to improve riparian habitat along Bull Creek in preparation for an outdoor education site adjacent to the Kirby Treatment Plant Property in conjunction with the new Felton Library. Staff has reallocated the funds from the Data Collection/Restoration Grants to be reallocated to the restoration effort on Bull Creek at the Kirby Treatment Plant while the CCC is available. The Environmental Committee authorized the District Manager to reallocate the funds noting that it is within his spending authority.

Staff is coordinating logistics with County Park Officials to secure an easement with the SLV Water District for the land adjacent to the Library site for the Outdoor Education Site. More information is available in January 19, 2017 Board Agenda Memo.

Tentative Schedule:

August 2016 CCC crews stripped and prepared blackberry hybrid for root extraction.
January 2017 AmeriCorps will conduct root extraction and heavily chip the area.
January 2017 Grant application to support cost of riparian restoration work
Spring 2017 CCC crews to strip plants, extract roots, and chip the rest of the area.
Spring 2017 District to move fence back to open riparian area to expand the outdoor education area.

ANNUAL ROAD REVIEW

Annual erosion control and general tree maintenance on the following roads, trails, and access points within the Districts 2500 acres of watershed property was completed in December 2016:

Bennett Springs Road
Olympia Watershed roads and trails
5-mile/Menzies Pipeline
Peavine
Lompico watershed access roads

NETWORKING/ COLLABORATIONS

SAN LORENZO 2025

The San Lorenzo River Watershed is the main source of drinking water for multiple communities and tens of thousands of residents. This watershed is home to dozens of species of fish and wildlife, including both threatened and endangered species. It is the heart of our community and we are at risk because the San Lorenzo River is under stress from the effects of drought, climate change, and habitat degradation. Acting now we can keep the San Lorenzo River watershed viable for our communities and our native fish and wildlife for generations to come.

San Lorenzo River 2025 is a collaborative effort focused on addressing the risks facing the San Lorenzo River over the next ten years. Through a partnership between local governments, water districts, the Resource Conservation District and local nonprofits, San Lorenzo River 2025 seeks to achieve **reliability** of water, **restoration** of watershed habitats, and a **resilient and safe** community resource. This effort will increase both the pace and the scale of investment into the San Lorenzo Watershed.

San Lorenzo River 2025 will:

- Implement a suite of habitat restoration and watershed protection activities to maintain and improve water supplies, water quality, and natural habitats for native fish and wildlife
- Provide wildfire planning and readiness to avoid catastrophic events in the watershed
- Improve ailing infrastructure for flood protection and projected sea level rise
- Maintain and improve public areas, trails, and places for the community to enjoy the river.

FALL CREEK FISH LADDER GRANT APPLICATION - UPDATE

As part of a collaborative effort led by San Lorenzo 2025, to enhance fish habitat in the San Lorenzo River Watershed, the District has participated in a multi-project grant to

acquire funding to help with the construction of the Fish Ladder. Other projects to enhance fish habitat include:

1. Lagoon Drain to prevent breaching of the river mouth, and to reduce flooding.
2. Branciforte Creek Passage Projects
3. Zayante Large Wood Project

The Grant was submitted June 2016. Staff received notice that of the 4 projects included in the grant only the Lagoon project received funding. The Lagoon project is a very important project to improve salmon and steelhead habitat in the San Lorenzo Watershed. We are thrilled the project will be constructed.

Staff will continue to pursue permits and funding to improve the Fall Creek Fish Ladder, and to ensure it is passable by all life stages of salmonids.

FELTON LIBRARY - <http://feltonlibraryfriends.org/>

Staff continues to participate with the Technical Advisory Committee including Friends of the Felton Library, the Valley Women's Club and County Planners and administrators to design and implement an outdoor education area adjacent to the location for the new Felton Library and adjacent to the Kirby Treatment Plant. The New Library has been awarded 10 million dollars for construction of a new library.

SANTA CRUZ MOUNTAINS STEWARDSHIP NETWORK - <http://scmsn.net/>

The Santa Cruz Mountains Stewardship Network is a region-wide and cross-sector collaboration of independent individuals and organizations who are committed to working together to help cultivate a resilient, vibrant region where human and natural systems thrive for generations to come.

SANTA CRUZ MOUNTAINS BIOREGIONAL COUNCIL - <http://www.scmbc.org/>

The Bioregional Council is dedicated to the preservation and enhancement of regional biodiversity over time through education, the dissemination of accurate scientific information and assistance in the planning, coordination and implementation of conservation efforts.

WATER CONSERVATION COALITION - <http://watersavingtips.org/>

The Water Conservation Coalition is a partnership between all the local Water Districts in Santa Cruz County as well as the County Water Resources Division, Ecology Action and other groups who share a passion for water conservation and public education. Our goal is to combine efforts and share resources to provide a common message about water conservation issues to residents throughout Santa Cruz County, which is a special place because ALL of our water supply comes from rain that falls within our County boundaries. Though each water district gets drinking water from different sources, we all share a common goal and work together to protect water resources in our aquifers and watersheds and continue to provide safe, high quality drinking water to all who live, work and play in Santa Cruz County.

ENVIRONMENTAL REVIEW

MT. HERMON ADVENTURE PARK

Staff has been notified by the County Planning Department that the Environmental Impact Report for the Mount Hermon Adventure Bike Park will be available for public review in January 2017.

STREAM HABITAT ENHANCEMENT

ZAYANTE LARGE WOOD PROJECT - UPDATE

Staff continues to participate on the Technical Advisory Team for the Stream Enhancement Program on Zayante Creek. Though the project did not receive funding through the SLR 2025 Watershed Restoration Grant Suite to CDFW. A grant application is also being submitted to the Wildlife Conservation Board. Staff prepared a letter of support for the RCD to submit as part of the grant application, which is attached to the agenda in informational items.

The Large Wood Project, which will include habitat restoration on both SLVWD and City of Santa Cruz Water Department property in the upper Zayante Watershed. An Integrated Watershed Restoration Program Grant is funding the planning phase of the project in which is underway.

FALL CREEK FISH LADDER PROJECT - UPDATE

Staff worked with County and Fish and Wildlife Staff to adjust boards on the Fall Creek Fish Ladder to ensure jump heights are in the best possible configuration to allow passage of adult steelhead into the upper Fall Creek Watershed. It is currently steelhead spawning season.

Staff continues to pursue permits to improve the fish ladder and is collaborating with Resource Conservation District to help navigate the complex permitting requirements for the Fall Creek Fish Ladder Project. Due to a change in permit requirements the project will be delayed until Summer 2018 at the earliest.

WATER CONSERVATION

WATER CONSERVATION - UPDATE

Staff is working with the Water Conservation Coalition and the County Green Business Program to promote a Water Conservation & Pollution Prevention Video Contest: This is a special opportunity for students to be recognized for their video talents. Winning videos will be shown on TV at a movie theater, online, on social media and get City Council recognition! Top prizes win \$500 and \$350 for themes about **water conservation, groundwater protection and water pollution prevention. Videos can be in English or Spanish.** Contest open to Santa Cruz County high school and college students. The 2017 entry deadline is Monday, March 27, 2017 at midnight. Please **consider assigning this locally relevant video project for your students in 2017.** Local water agency reps are available to present the contest details, water conservation and pollution prevention lessons and support the students in learning more. Please return this email if interested and a water conservation specialist will contact you to

schedule a presentation in your class. For contest details and to watch past winning videos, visit: <http://watersavingtips.org/resources/videocontest/>

Please Remember Stage 2 water restrictions are still in effect. Our monthly e-newsletters include information regarding District operations, general news and notifications and events. Staff produces multiple posts on Facebook every week focused on various district business.

Toilet Rebates are Back! - The State Toilet Rebate Program has been suspended, so in order to continue to meet our water conservation goals, staff revised the Water Conservation Rebate program to reinstate the District's Toilet Rebate Program. Other credits include water efficient clothes washers, greywater systems and irrigation controllers. We continue to direct our customers to the State's rebates for lawn removal <http://www.saveourwaterrebates.com/>.

COMMUNICATIONS

STORMAGETTON COMMUNICATIONS - UPDATE

During the sever storm in January, District staff published 2 press releases and one e newsletter and multiple Facebook posts to share up to date status on District activities with regard to the storm. Residents responded with a resounding THANK YOU to District Staff who worked night and day through the storm to keep the water flowing. Crews were able to overcome multiple power outages, flooding of facilities, down trees and SCATA problems, manually operating pumps which would normally function automatically, and ensuring safe water quality was delivered to customers throughout the storm. YEA TEAM!

PUBLIC OUTREACH/ DROUGHT OUTREACH - UPDATE

- E Newsletters are sent out to over 3500 customer email addresses once or twice monthly.
- The District Facebook page and website are updated regularly (3-5 times per week).
- Media Alerts have been published in local papers regarding:
 1. San Lorenzo Valley Water District Sustains Water Service During Storms:
<http://slvwd.com/press/1-10-2017%20SLVWD%20Manages%20Storm%20Issues.pdf>
 2. **Water Service Continues Despite Storm Damage** including information about **Bear Creek Estates Wastewater Treatment Plant damaged during storm:**
<http://us11.campaign-archive1.com/?u=6d6edd2f50b7c62ab117562a4&id=36d3888e5d&e=347fea842c>

MEMO

TO: District Manager

FROM: Director of Operations

SUBJECT: OPERATIONS DEPARTMENT PROJECT STATUS
REPORT DECEMBER 2016

DATE: January 12, 2016

RECOMMENDATION:

It is recommended that the District Manager review and file the Operations Department Project Status Report for the month of December 2016.

BACKGROUND:

ADJUSTMENTS TO THE WASTE WATER SYSTEM AND SAMPLING

The District continues to work with consultant Infrastructure Engineering Corporation (IEC) on the waste water system at Bear Creek Estates. Changes in sampling and operation of the system have been implemented and are being monitored and tested. The District will continue to make changes and sample the system with consulting from IEC.

FIREHOUSE BOOSTER

In November Pump 1 packing bearing failed flooding the underground pump station. Water damaged the majority of the electrical equipment including SCADA equipment. The pump has been replaced. The Pump is operational however there are no SCADA or automatic controls. Relocation of all electrical outside of the underground station is being considered to avoid flooding issues.

SCADA COMMUNICATIONS

Communications issues are being experienced with the District's SCADA system. Loss of communications and intermittent alarms sometimes up to several hundred over a short period of time are being experienced. AT&T is trouble shooting the SCADA Bridge and Staff is investigation possible hardware and software issues. During the reporting period staff started changing communication over from 1200 baud to IP based communications.

Rick Rogers
Director of Operations

SAN LORENZO VALLEY WATER DISTRICT PRODUCTION COMPARRISON

Source	December-16	November-16	December-13	Difference This Year To 2013
North System				
Surface Water Sources				
Foreman Creek	28,669,350	16,872,610	718,000	
Peavine Creek + Hydro	2,550,650	2,963,550	1,552,000	
Clear Creek		830,904	987,000	
Sweetwater Creek		553,936	658,000	
Sub-Total (Streams)	31,220,000	21,221,000	3,915,000	697.45%
Wells (North)				
Olympia No. 2	-	51,000	9,203,000	
Olympia No. 3	-	24,000	4,771,000	
Quail Well No. 4-A	953,000	5,037,000	8,863,000	
Quail Well No. 5-A	630,400	3,237,100	5,349,000	
Sub Total North Wells	1,583,400	8,349,100	28,186,000	-94.38%
South System Wells				
Pasatiempo 5A	3,936,701	7,074,958	N/A	
Pasatiempo 6	-	-	5,975,000	
Pasatiempo 7	-	-	2,493,000	
Sub Total Pasatiempo Wells	3,936,701	7,074,958	8,468,000	-53.51%
North South All Sources Combined	36,740,101	36,645,058	40,569,000	-9.44%
Felton System - Surface Water				
Fall Creek	3,810,997	3,655,423	5,707,580	
Bennett Spring	2,063,427	2,791,046	2,438,500	
Bull 1 & 2	2,063,427	2,982,770	0	
Total Felton System Sources	7,937,851	9,429,239	8,146,080	-2.56%
Manana Woods System				
Well 1	-	-	507,775	
Paso Mana By Pass	474,263	528,704	240,857	
Total Manana Woods Sources	474,263	528,704	748,632	
Sub - Total Production				
North / Felton / Manana	45,152,215	46,603,001	49,463,712	-8.72%
Less South /Manana Inter-Tie	474,263	528,704	240,857	
Total Production	44,677,952	46,074,297	49,222,855	-9.23%
Surface	39,157,851	30,650,239	12,061,080	224.66%
Wells	5,520,101	15,424,058	37,161,775	-85.15%
Total Surface Water Percentage	87.64	66.52	24.50	257.69%
Total Wells Percentage	12.36	33.48	75.50	-83.63%

**SAN LORENZO VALLEY WATER DISTRICT
PRODUCTION BY SYSTEM
+/- INTERTIES
December 2016**

North System All Sources	36,740,101
Interties IN +	743,868
Interties OUT -	2,424,838
TOTAL NORHT SYSTEM	35,059,131
Felton Water system All Sources	7,937,851
Interties IN +	7,214
Interties OUT -	8
TOTAL FELTON SYSTEM	7,945,057
Manana Woods System	
Manana Woods Well 1	0
Interties IN +	474,263
TOTAL MANANA WOODS	474,263

SAN LORENZO VALLEY WATER DISTRICT

INTERTIE USAGE

December 2016

INTERTIE 2

SLVWD to SVWD 0

SVWD to SLVWD 0

INTERTIE 3

SLV SOUTH to SLV NORTH 743,860

SLV NORTH to SLV SOUTH 2,832

INTERTIE 4

SLVWD to MHWD 0

MHWD to SLVWD 0

INTERTIE 6

SLV NORTH to SLV FELTON 7,214

SLV FELTON to SLV NORTH 8

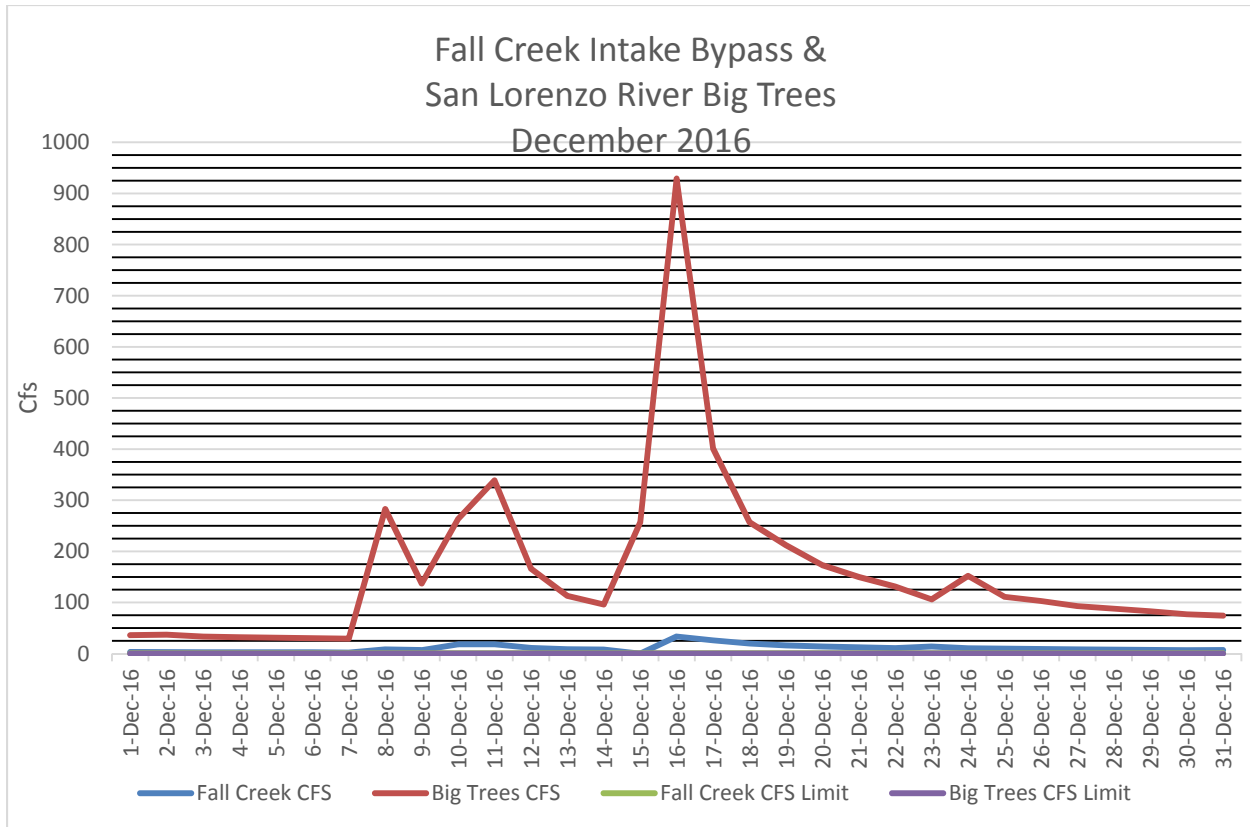
LOMPICO INTERTIE

SLV NORTH to LOMPICO 1,940,529

MANANA WOODS INTERTIE

SLVWD to MANANA WOODS 474,263

Fall Creek Intake December 2016



Normal Rainfall Fall Creek Intake Bypass Requirements

April 1 through October 31 1.0 cubic feet per second

November 1 through March 31 1.5 cubic feet per second

Dry Conditions Fall Creek Intake Bypass Requirements

April 1 through October 31 0.5 cubic feet per second

November 1 through March 31 0.75 cubic feet per second

Number of Days in month 0.75 cfs or below, ZERO days

San Lorenzo River USGS Big Trees Flow Requirements

September 11 cubic feet per second

October 26 cubic feet per second

November 1 through May 31 21 cubic feet per second

June - August No Requirements

Fall Creek Intake December 2016

For the protection of fish and wildlife, during the period: (a) April 1 through October 31 bypass a minimum of 0.5 cfs; (b) November 1 through March 31 bypass a minimum of 1.5 cfs past the Fall Creek point of diversion. The natural streamflow shall be bypassed whenever it is less than 1.5 cfs; provided, however, that during a dry year, the bypass requirement shall be reduced from 1.5 to 0.75 cfs. A dry year is defined on a monthly basis of cumulative runoff beginning October 1 of each season in the San Lorenzo River at the USGS gage at Big Trees. These runoff figures are based on approximately 50 percent of normal runoff as the dividing level between normal and dry year runoff and are as follows:

- November 1 for the month of October 500 af
- December 1 for October-November, inclusive 1,500 af
- January 1 for October-December, inclusive 5,000 af
- February 1 for October-January, inclusive 12,500 af
- March 1 for October-February, inclusive 26,500 af

Fall Creek Weir Measurement												
Agenda: 1.19.17												
	Month:	December	Year: 2016							Wet-year <input type="checkbox"/>	Dry-year <input type="checkbox"/>	Item: 13a1v
Date	Time	Initials	Pump #	Fall Cr. GPM into Kirby plant	Weir Board Height	Weir Height Measurement	Fall Creek (Cubic Feet per Second)	Big Trees (Cubic Feet per Second)	Rainfall (Boulder Creek gauge)	Met Fall Cr, Bypass Requirement Wet Year .75 cfs Dry Year .5 cfs (yes/no)	Met Big Trees Requirement Nov-May-20cfs Sept-10 cfs Oct-25 cfs (yes/no)	Notes
1	12:00		1	90	25.0	35.42	3.057	36	0	Yes	Yes	
2	12:00		1	122	25.0	35.04	2.800	37	0	Yes	Yes	All
3	12:00		1	100	25.0	34.65	2.479	33	0	Yes	Yes	Measurements
4	12:00		1	90	25.0	34.65	2.479	32	0	Yes	Yes	Taken
5	12:00		1	100	25.0	34.65	2.479	31	0	Yes	Yes	at
6	12:00		1	105	25.0	34.46	2.402	30	0	Yes	Yes	12:00 Noon
7	12:00		1	90	25.0	33.49	1.839	29	0.32	Yes	Yes	Except
8	12:00		1	0	25.0	40.63	8.343	283	1.44	Yes	Yes	cummulative
9	12:00		1	90	25.0	39.48	6.974	137	0.20	Yes	Yes	rainfall
10	12:00		1	90	25.0	46.23	18.05	263	1.53	Yes	Yes	from
11	12:00		1	110	25.0	46.23	18.05	339	0	Yes	Yes	Boulder
12	12:00		1	88	25.0	42.56	11.15	166	0	Yes	Yes	Creek
13	12:00		1	180	25.0	40.63	8.343	113	0.09	Yes	Yes	due to
14	12:00		1	240	25.0	40.25	7.870	96	0.48	Yes	Yes	Lost
15	12:00		1	0	25.0	20.75	Pulled Weir	257	4.71	Yes	Yes	Fall Cr Weir
16	12:00		1	0	25.0	52.22	33.56	929	0.03	Yes	Yes	Sheet
17	12:00		1	200	25.0	49.51	25.82	401	0	Yes	Yes	
18	12:00		1	120	25.0	47.00	19.62	257	0.01	Yes	Yes	Weir Height
19	12:00		1	90	25.0	45.27	16.08	212	.01	Yes	Yes	Measurements
20	12:00		1	100	25.0	43.92	13.59	173	0.01	Yes	Yes	Dolwnloaded
21	12:00		1	70	25.0	43.14	12.13	150	0	Yes	Yes	from
22	12:00		1	120	25.0	42.18	10.59	131	0.01	Yes	Yes	Mission Web
23	12:00		1	65	25.0	44.11	13.80	106	0.78	Yes	Yes	Site
24	12:00		1	72	25.0	41.99	10.40	152	0.01	Yes	Yes	
25	12:00		1	75	25.0	41.41	9.512	111	0	Yes	Yes	Fall Cr GPM
26	12:00		1	65	25.0	40.83	8.668	103	0.01	Yes	Yes	Taken
27	12:00		1	70	25.0	40.44	8.184	93	0.01	Yes	Yes	from
28	12:00		1	70	25.0	40.06	7.564	88	0.01	Yes	Yes	Circular Charts
29	12:00		1	110	25.0	39.86	7.414	83	0	Yes	Yes	
30	12:00		1	350	25.0	39.09	6.411	77	0	Yes	Yes	
31	12:00	226	1	100	25.0	39.48	6.974	74	0.02	Yes	Yes	

San Lorenzo Valley Water District Loch Lomond Water Supply December 2016

Loch Lomond Water Level



Week ending 1/13/2017

(in feet above mean sea level; lake spills at 577.25 feet)

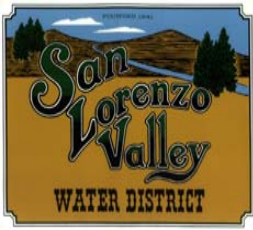
Currently:	577.50ft
Percent of capacity:	100.0%

In 1958 SLVWD sold 2,500 acres of property in the vicinity of the Newell Creek Watershed to the City of Santa Cruz, with the agreement that SLVWD would be entitled to purchase 12 ½ percent of the annual safe yield from a future Newell Creek reservoir, up to a maximum of 500 AF/yr. Based on the 1958 agreement, SLVWD began receiving deliveries of Loch Lomond water from the City in 1963. In 1965 the District constructed the Glen Arbor Water treatment plant for treating Loch Lomond water. Toward the end of the 1976-77 drought, the City stipulated that the District was not entitled to an allocation of 500 AF/yr, merely 12.5% of the safe yield. This decision based on a reduction to the estimated annual safe yield from the Newell Creek Reservoir, reduced the Districts contractual allocation. On June 7, 1977, the District filed a Complaint for Declaratory Relief, which requested the court to make a judicial determination of the respective parties' duties and rights. In June 1980 a court order fixed the estimated safe yield from Newell Creek Reservoir at reduced quantity, which resulted in a reduction to the Districts contractual allocation to 313 AF/yr.

Production Loch Lomond to SLVWD

Date	Total Used	Total Available
1976 July to June 1977	353 AF	
1977 July to June 2015	0	313 AF
2015 July to 02/2016	0	313 AF
2/20/16 to Current	0	313 AF

Last time District used Loch Lomond water was June 1977

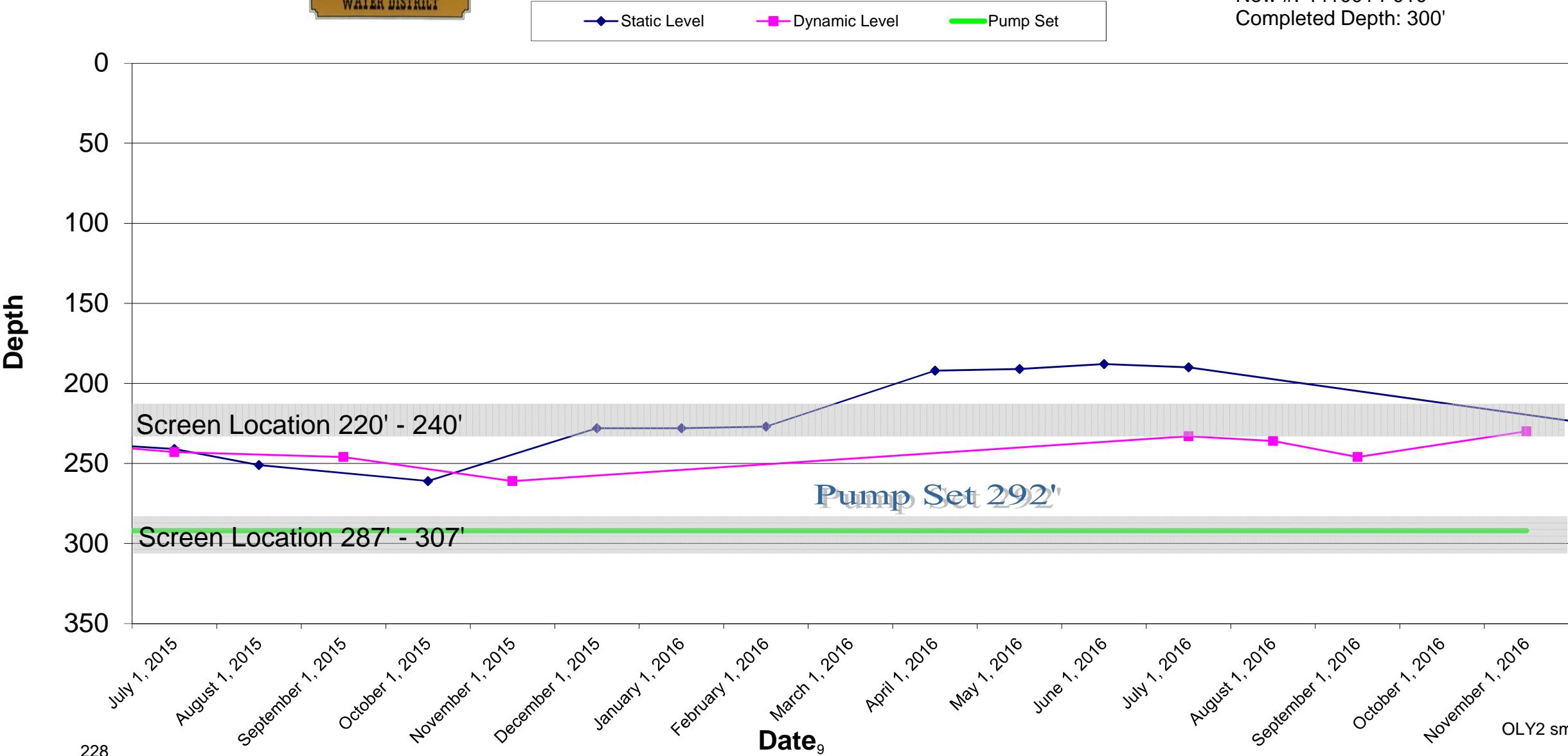


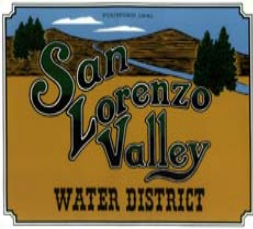
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Olympia 2

Location: 7701 E. Zayante Rd.
Elevation: 525'
Installed: April 28, 1980
State Well #:10S/O2W-11P01
New #: 4410014-010
Completed Depth: 300'



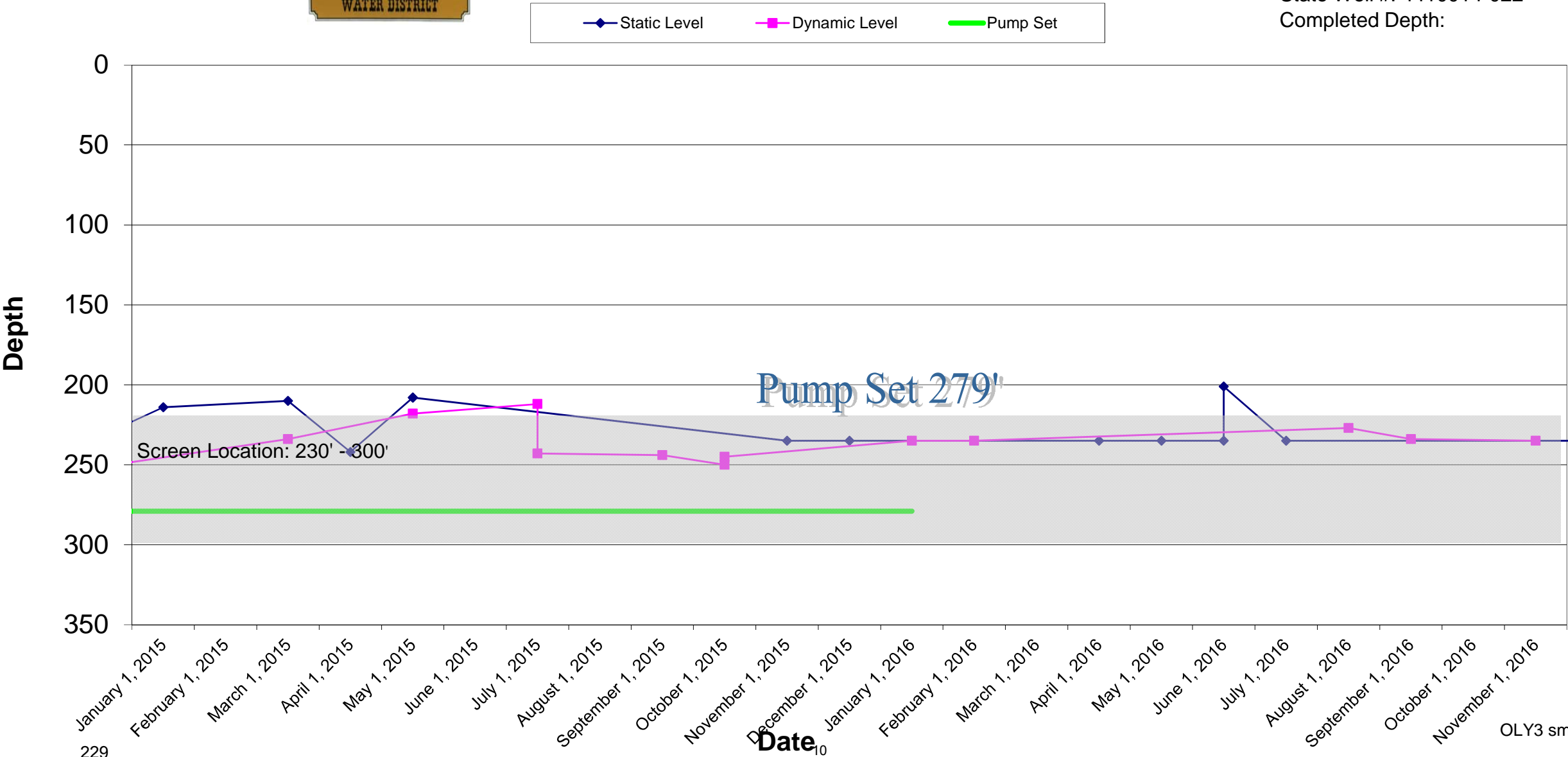


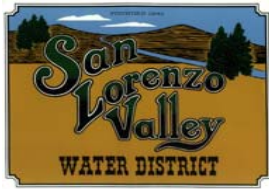
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Olympia 3

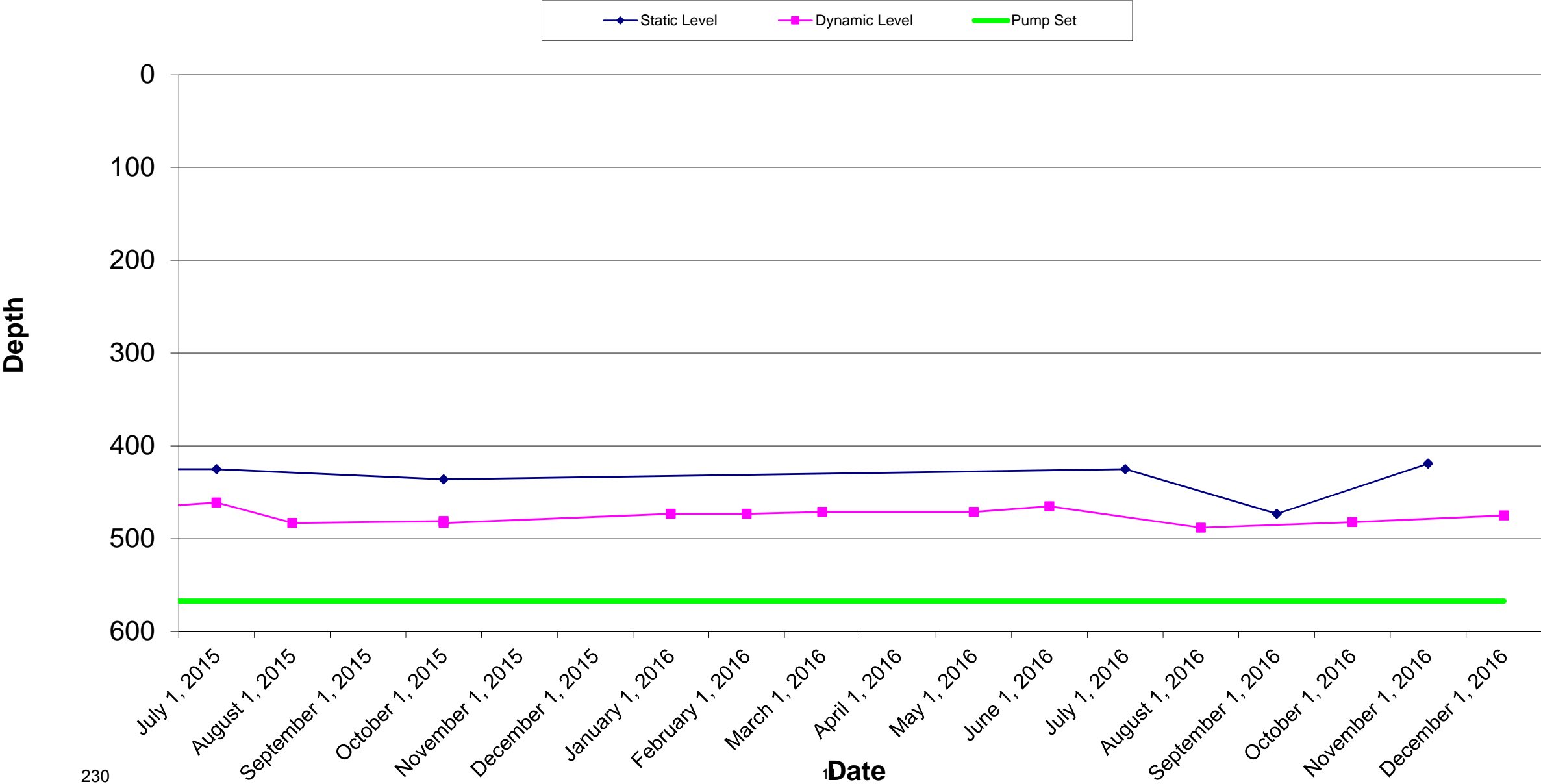
Location: 7701 E. Zayante Rd
Elevation: 538' Mean Sea Level
Installed: 8-15-90
State Well #: 4410014-022
Completed Depth:

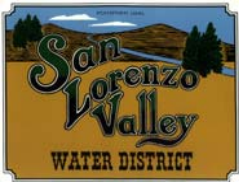




SAN LORENZO VALLEY WATER DISTRICT
Well Drawdown Report
Pasatiempo 5-A

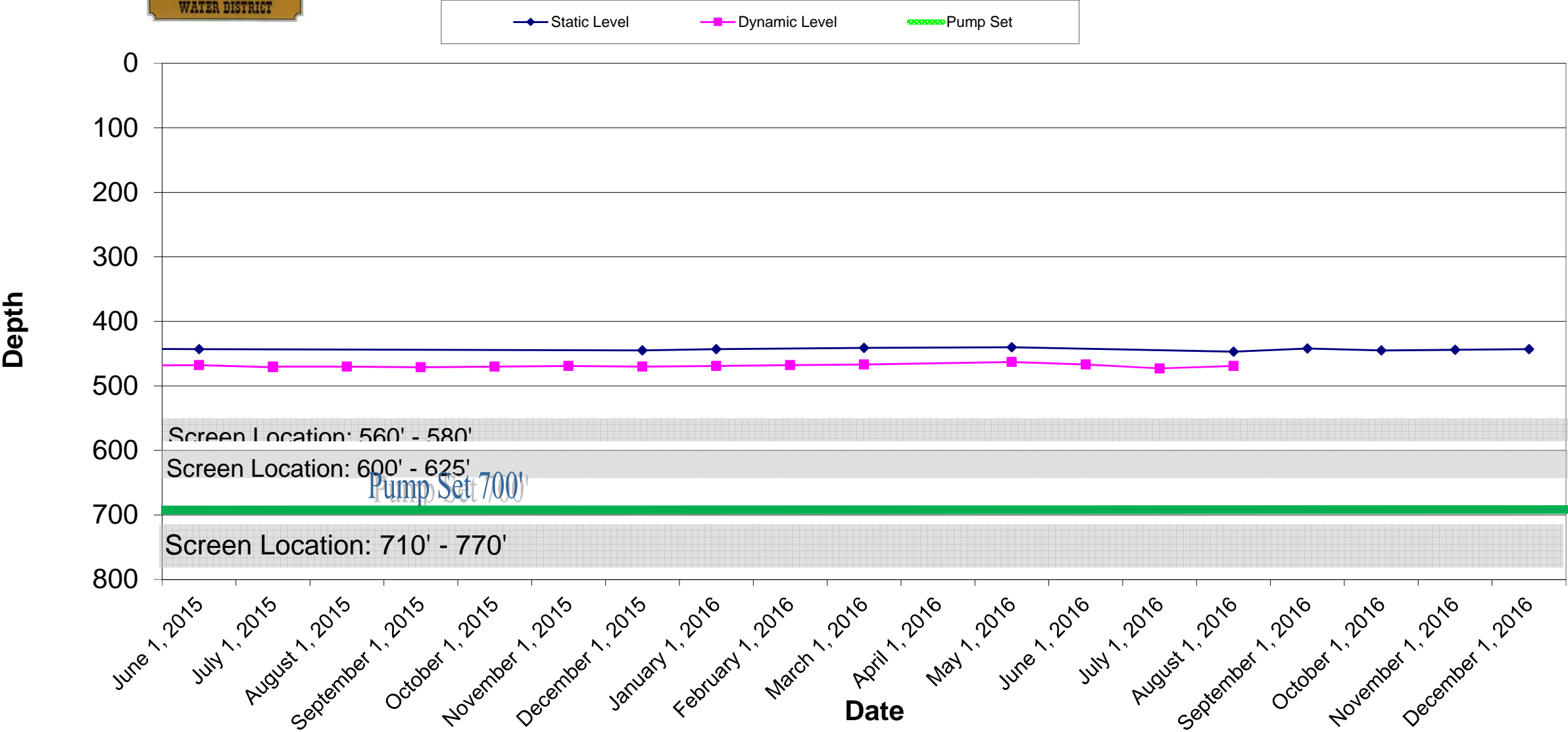
Location: So. Of 3650 Graham Hill Rd
Elevation: 752'
Installed 1-1-14
State Well #:4410014-014
Completed Depth: 710'





SAN LORENZO VALLEY WATER DISTRICT
Well Drawdown Report
Pasatiempo 6

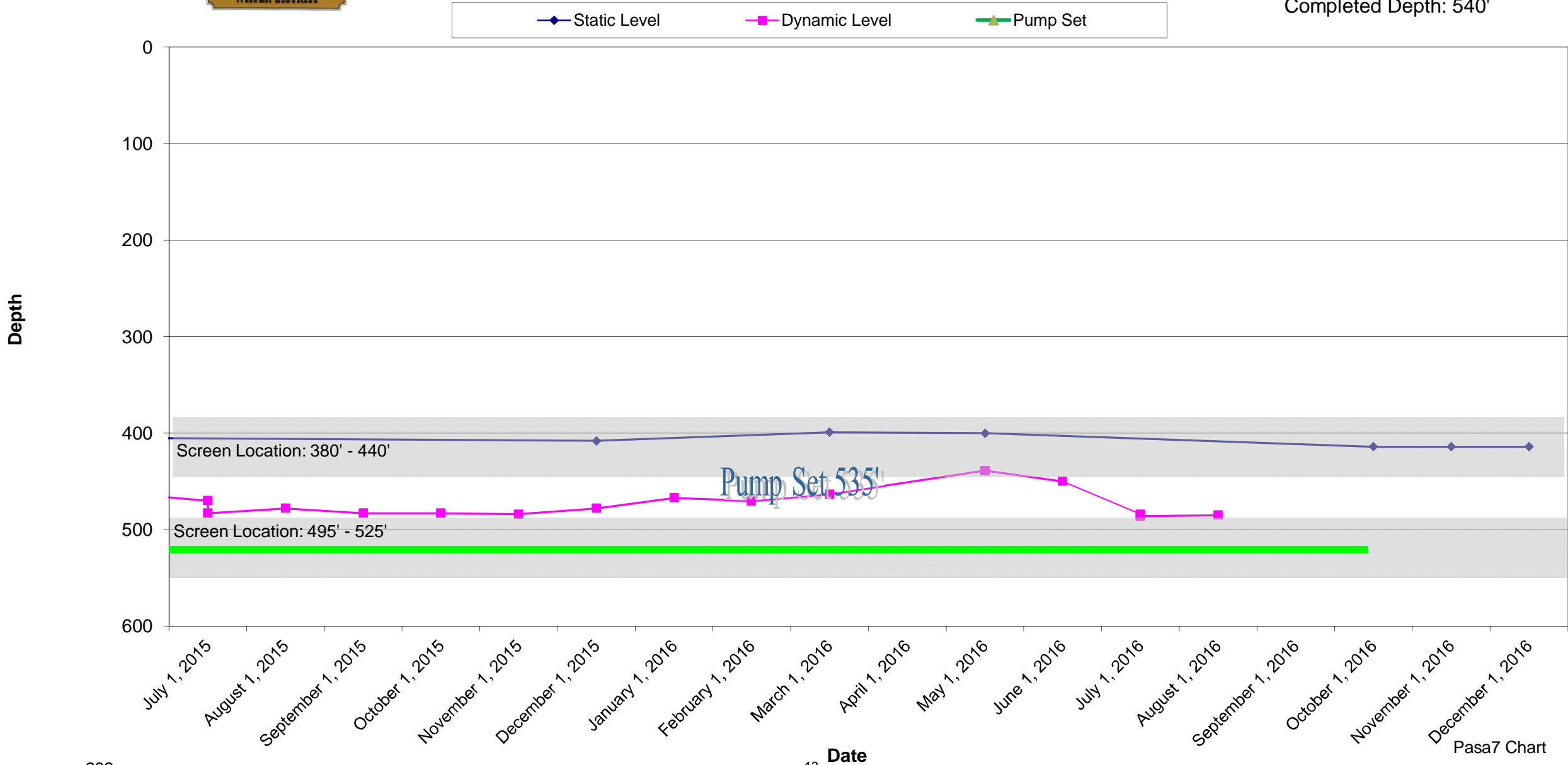
Location: Behind 3650 Graham Hill Rd.
Elevation: 775'
Installed: 5-30-91
State Well #: 4410014-023





SAN LORENZO VALLEY WATER DISTRICT
Well Drawdown Report
Pasatiempo 7

Location: South of Probation
Center
Elevation: 734' MSL
Installed: July 21, 1990
State Well #: 4410014-024
Completed Depth: 540'





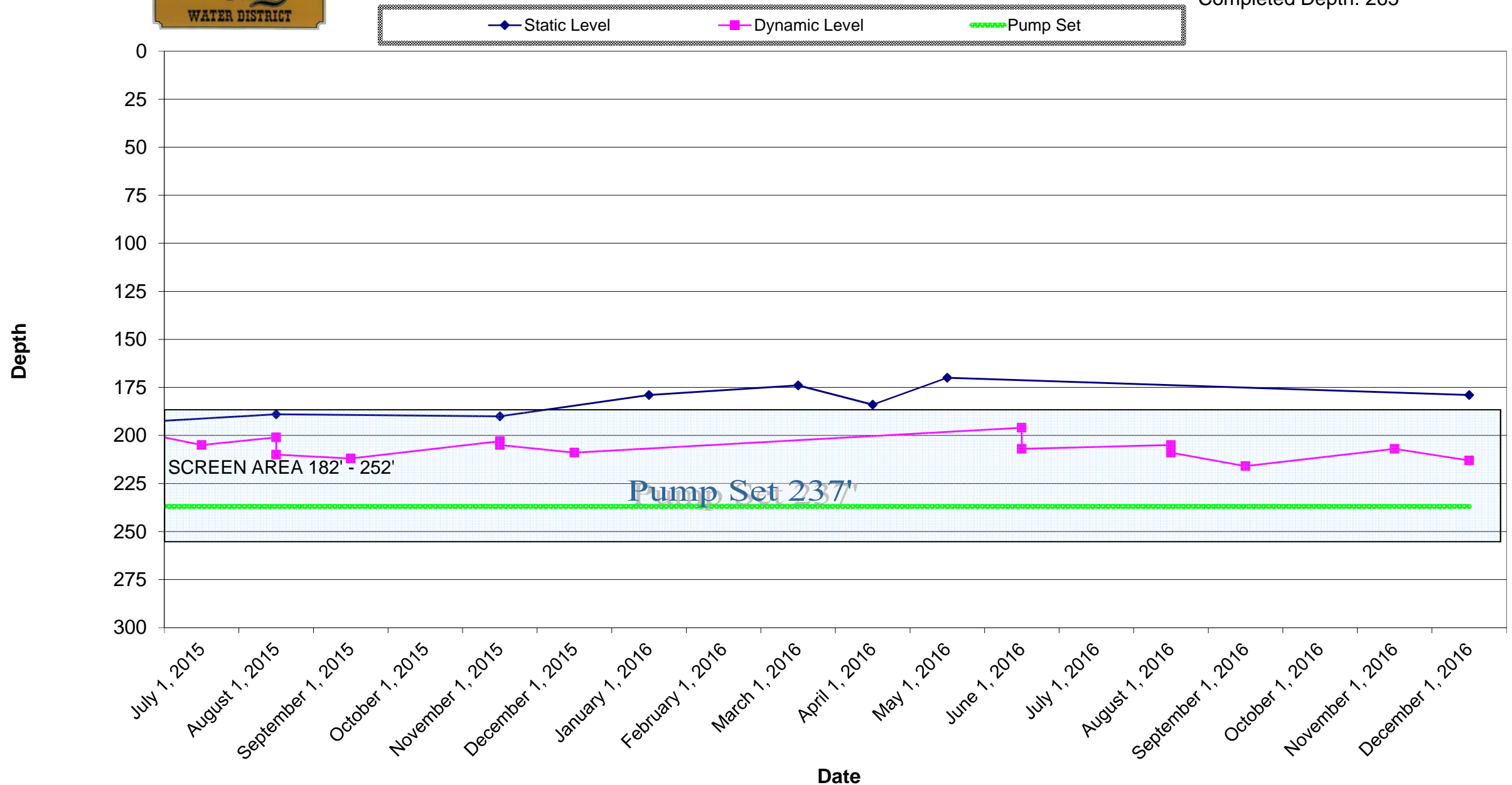
SAN LORENZO VALLEY WATER DISTRICT

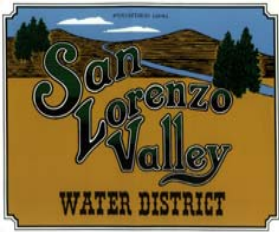
Well Drawdown Report

Quail Well 4-A

Agenda: 1.19.17
Item: 13a1v

Location: Cumora Ln. Ben Lomond
Elevation: 596.54 ft @ Pad
Installed: 6-07-2001
State Well #: 4410014-026
Completed Depth: 265



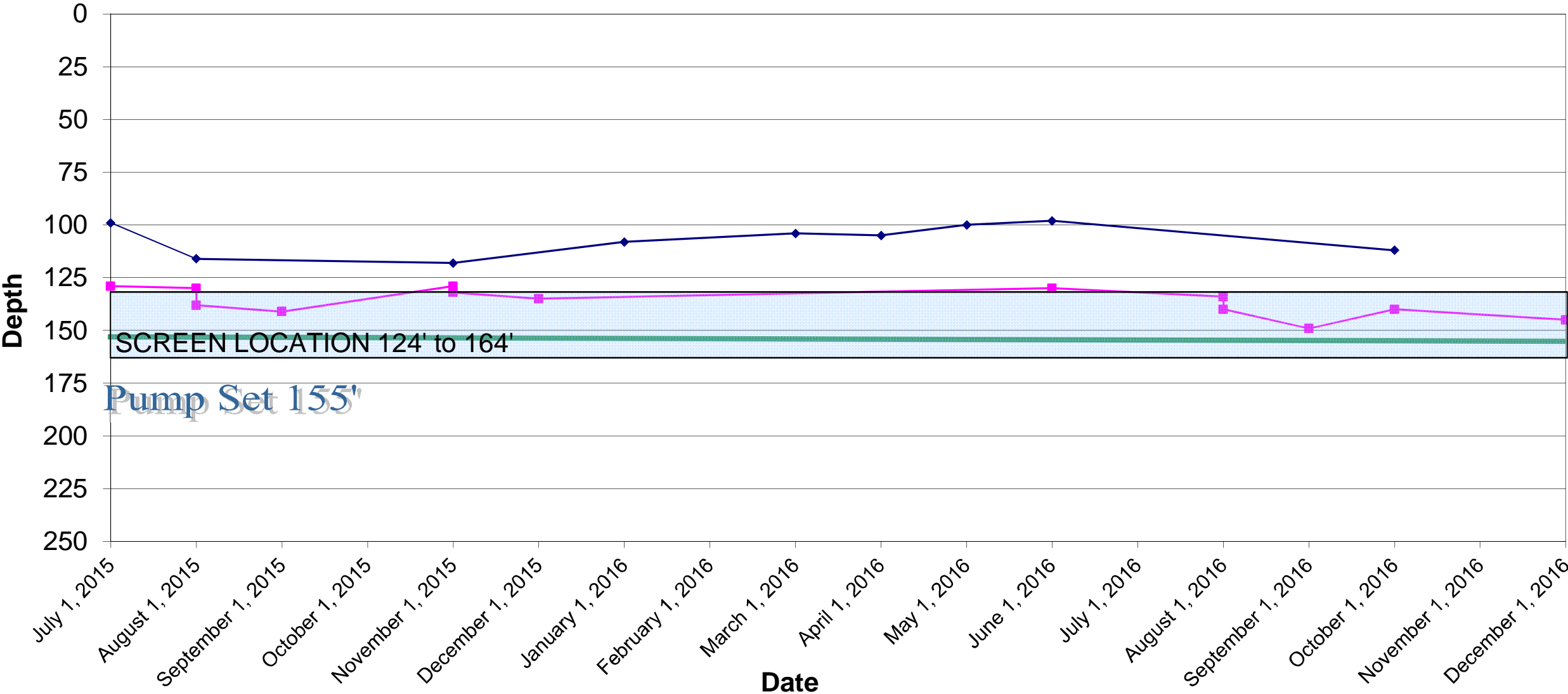
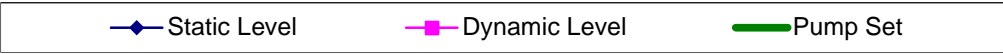


SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Quail Well 5-A

Location: 1161 Quail Hollow Rd.
Ben Lomond
Elevation: 517.65 ft. @ Pad
Installed: March 2000
State Well #: 4410014-025
Completed Depth: 174'



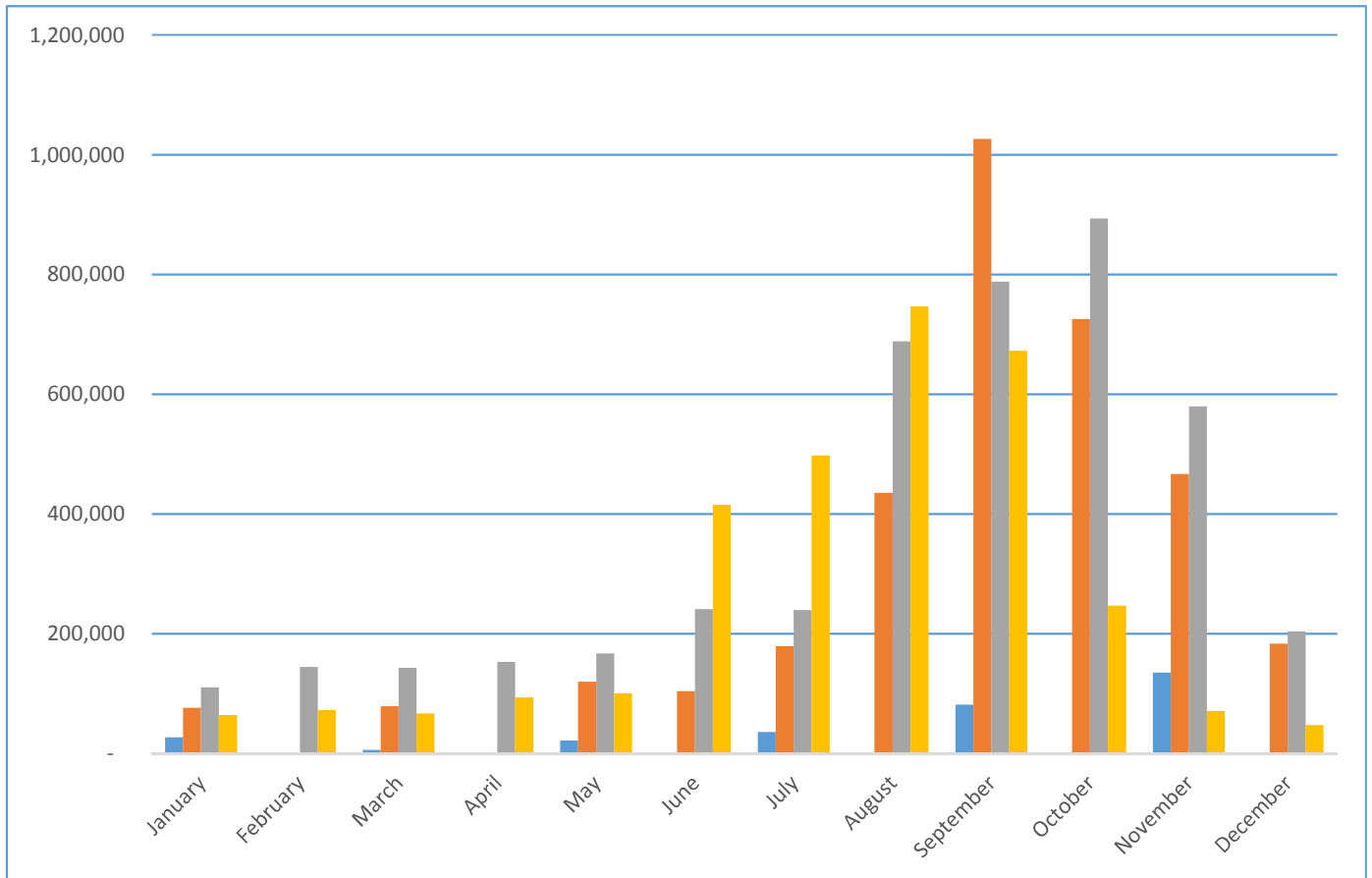
Agenda: 1.19.17
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SAN LORENZO VALLEY WATER DISTRICT

BULK WATER SALES

GALLONS

December 2016



Month	2013	2014	2015	2016
January	26,928	76,296	109,965	63,850
February			144,364	72,556
March	5,984	78,540	142,868	66,572
April			152,592	93,500
May	21,692	119,680	166,804	100,232
June		103,972	240,983	415,140
July	35,904	178,772	239,360	497,420
August		435,336	688,160	746,504
September	81,352	1,026,256	787,644	672,183
October		725,560	893,112	246,840
November	134,640	466,752	579,700	71,060
December		183,260	203,456	47,124
Totals	306,500	3,394,424	4,349,008	3,092,981

SAN LORENZO VALLEY WATER DISTRICT
MONTHLY LEAK REPORT
December 2016

Agenda: 1.19.17
Item: 13a1v

NORTH SYSTEM

Leak Type	Location	Town	Gallons Lost
400 MAIN LEAKING	325 Woodland Drive	Ben Lomond	5,760
400 MAIN LEAKING	1090 Dundee Ave	Ben Lomond	540
400 MAIN LEAKING	Corner of Hermosa and Oak	Ben Lomond	270
400 MAIN LEAKING	490 Marion Ave.	Ben Lomond	14,400
400 MAIN LEAKING	144 Evergreen Lane	Boulder Creek	14,400
400 MAIN LEAKING	17384 Tressel Pass Road	Boulder Creek	1,800
Total			37,170

LOMPICO SYSTEM

Lompico System Total Gallons -

FELTON SYSTEM

400 MAIN LEAKING	10751 Visitar St.	Felton	960
400 MAIN LEAKING	1079 Pine Drive	Felton	5,760
Felton System Total Gallons			6,720

MANANA WOODS

Manana Woods Total Gallons 0

Total All Systems 8,520

SAN LORENZO VALLEY WATER DISTRICT
Authorized Unmetered Water Use (GALLONS)
December 2016

Agenda: 1.19.17
Item: 13a1v

<u>North System</u>		Monthly Total
Mainline Flushing		-
Tank Leakage		93,744
Probation	1.0 gpm	44,640
Upper Swim	0.3 gpm	13,392
Blue Ridge	0.4 gpm	17,856
Echo	0.1 gpm	4,464
Highland	0.3 gpm	13,392
Process Water		95,976
Lyon cL2 Analyzer	0.02 gpm	893
Quail 5 cL2 Analyzer	0.11 gpm	4,910
Olympia cL2 Analyzer	1.32 gpm	58,925
Paso cL2 Analyzer	0.7 gpm	31,248
Firefighting		0
Tank Overflow		0
Waste Water		0
Sub Total North		189,720
<u>Felton Water System</u>		
Mainline Flushing		
Tank Leakage		4,464
El Solyo	0.1 gpm	4,464
Process Water		
Kirby WTP cL2 Analyzers	0.8 gpm	35,712
Firefighting		0
Tank Overflow		0
Waste Water		0
Sub Total Felton		40,176
<u>Manana Woods Water System</u>		
Mainline Flushing		-
Tank Leakage		
Process Water		
Firefighting		
Tank Overflow		
Waste Water		
Sub Total Manana Woods		0
<u>Lompico Water System</u>		
Kaski Tank	0.1 gpm	4,464
Lewis Tank	0.3 gpm	13,392
Sub Total Lompico		17,856
Total All Systems		247,752

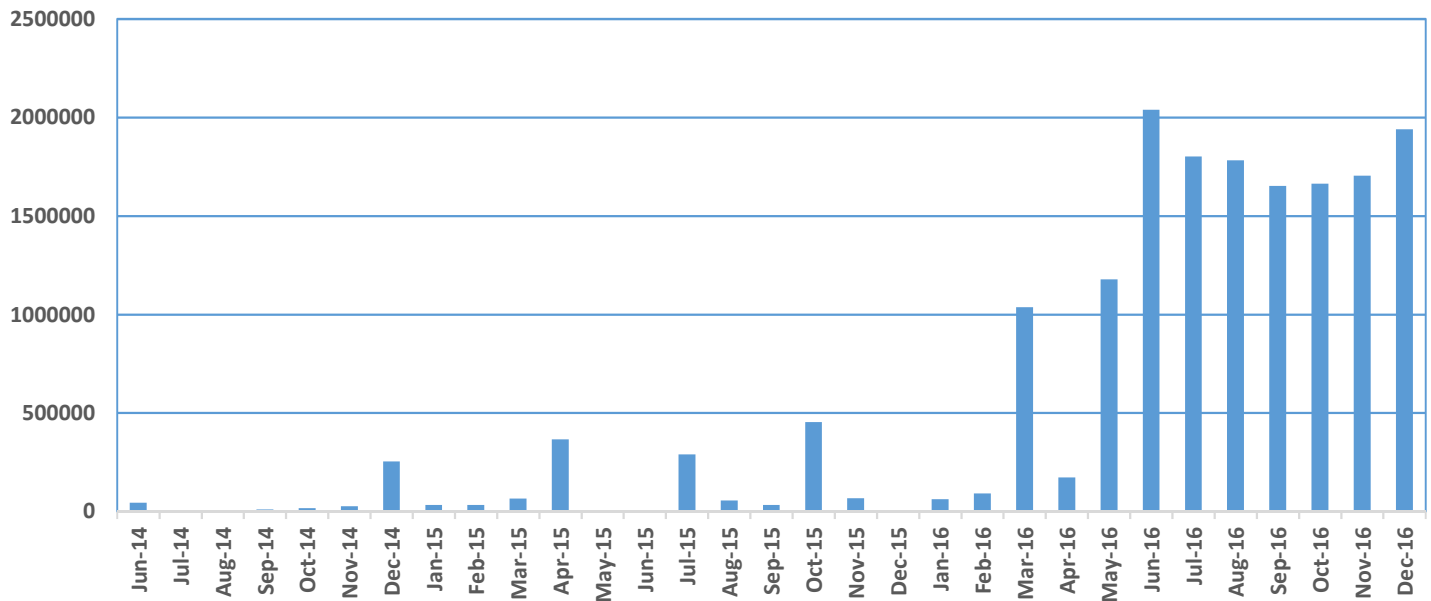
SAN LORENZO VALLEY WATER DISTRICT

LOMPICO INTERTIE

December 2016

Agenda: 1.19.17
Item: 13a1v

Booster Usage in Gallons



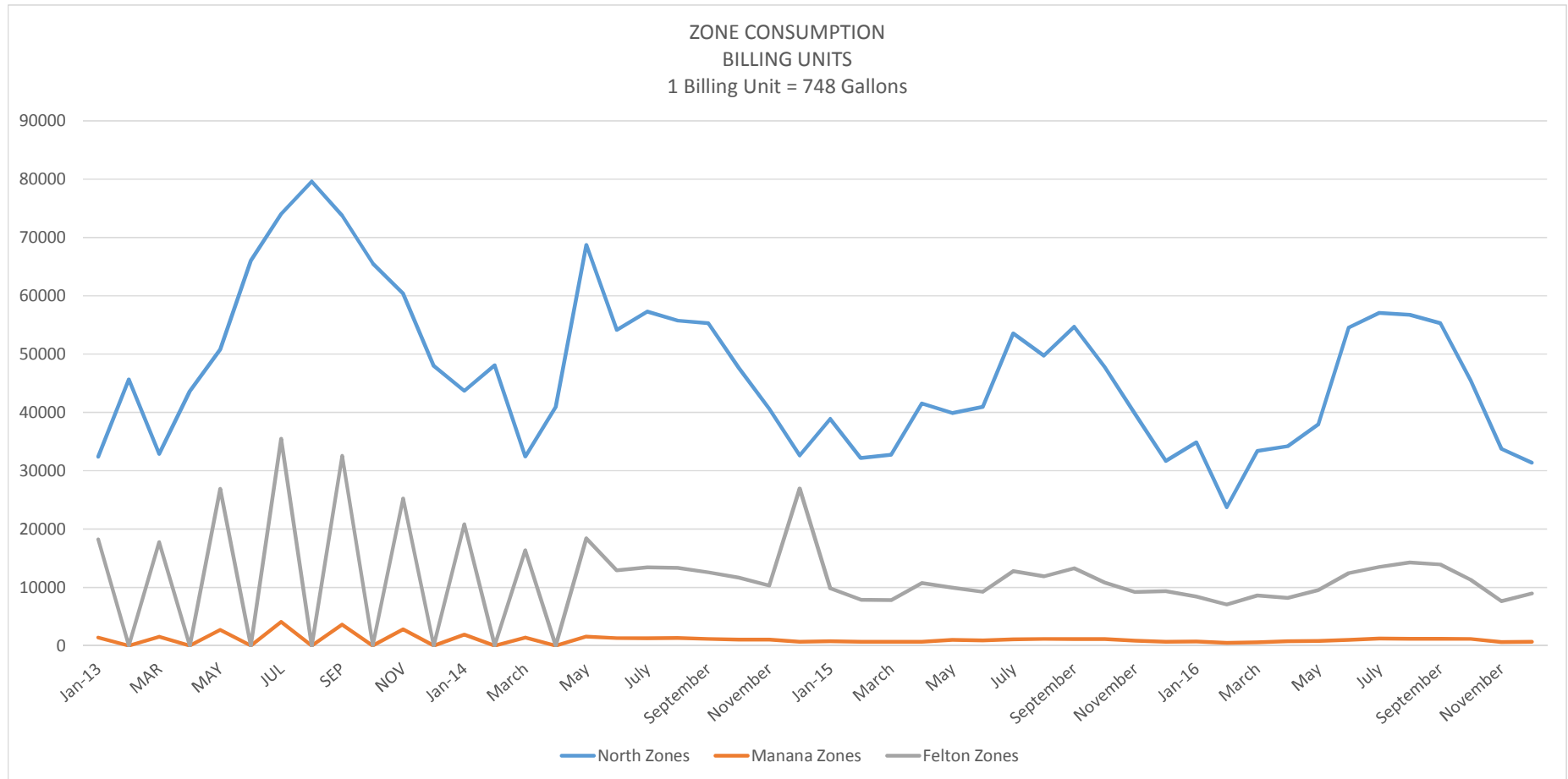
Month / Year	2014	2015	2016
January		32,164	62,641
February		32,912	91,503
March		65,076	1,036,730
April		365,540	172,572
May		3,740	1,177,674
June	44,800	3,740	2,039,326
July		288,728	1,801,916
August	5,984	55,934	1,782,037
September	9,724	32,252	1,651,532
October	17,204	454,036	1,662,843
November	26,180	66,572	1,704,077
December	254,320	0	1,940,529
Totals	358,212	1,400,694	15,123,379

SAN LORENZO VALLEY WATER DISTRICT

Consumption by Zone

December 2016

Agenda: 1.19.17
Item: 13a1v



SAN LORENZO VALLEY WATER DISTRICT
CONSUMPTION BY ZONE

Agenda: 1.19.17
Item: 13a1v

Zones	Jan-13	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	0	742	0	684	0	1053	0	1315	0	1267	2	1204
2	0	174	0	199	0	486	0	631	0	519	0	458
3	0	436	0	399	0	653	0	814	0	850	5	676
4	1	14856	0	13189	16	20742	5	25687	18	20923	8	15756
5	0	2782	0	2430	3	4121	1	4676	5	3612	0	2820
6	0	100	0	90	0	105	0	157	0	104	0	82
7	0	118	0	147	0	315	0	333	0	297	0	266
8	52	9308	19	9210	60	13143	52	15349	107	12132	123	9060
9	0	622	0	701	0	1182	0	1671	0	1289	0	907
10	0	231	0	66	0	122	0	278	0	188	0	152
11	0	1144	2	1180	9	1869	0	2131	0	2353	6	1613
12	0	18	0	20	0	48	0	47	0	42	0	39
13	0	694	0	668	14	1198	0	1420	2	1117	0	828
14	0	1024	0	981	0	1837	0	2144	0	1648	5	1251
15	0	13	0	33	0	58	0	74	0	54	0	37
16	12023	9045	12059	9786	16486	13371	25131	16108	27729	13526	20690	7555
17	0	592	0	569	0	736	0	891	2	707	10	674
18	8	1752	0	1457	0	2087	1	2386	0	2001	1	1907
19	2	608	0	538	1	815	5	869	1	842	0	796
20	1203	12	1359	9	2262	12	3325	44	2985	12	2900	11
21	5759	0	5447	3	8307	0	12741	7	12050	2	9618	0
22	12014	0	12416	0	20676	11	28212	29	26767	24	23624	0
23	1340	0	1567	0	2932	0	4511	30	4056	9	3360	0
24	26	1408	26	1284	55	2060	36	2521	40	2062	29	1902
North Totals	32428	45679	32895	43643	50821	66024	74020	79612	73762	65580	60381	47994
25	1053	0	1118	0	1773	0	3000	0	2760	0	2136	0
26	302	0	332	0	855	0	937	0	725	0	561	0
27	55	0	65	0	80	0	136	0	121	0	105	0
Manana Totals	1410	0	1515	0	2708	0	4073	0	3606	0	2802	0
28	675	0	632	0	970	0	1308	0	935	0	827	0
29	185	0	177	0	436	0	699	0	637	0	464	0
30	514	0	580	0	691	0	991	8	1000	0	765	0
31	13634	0	13424	0	20483	14	27588	10	25615	12	19096	0
32	239	0	258	0	321	0	307	0	293	0	324	0
33	2978	0	2663	1	3984	0	4604	-54	4080	58	3777	0
Felton Totals	18225	0	17734	1	26885	14	35497	-36	32560	70	25253	0

SAN LORENZO VALLEY WATER DISTRICT
CONSUMPTION BY ZONE

Agenda: 1.19.17
Item: 13a1v

Zones	Jan-14	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
1	0	911	0	686	616	548	514	562	492	457	411	300
2	0	397	0	279	228	197	190	214	217	149	167	92
3	0	577	0	422	373	284	311	389	266	310	235	163
4	17	14471	5	12306	10732	9023	9868	9573	8845	8286	6338	5540
5	5	2647	-22	2116	1829	1600	1654	1652	1407	1291	1184	854
6	2	104	0	89	71	52	53	51	44	42	45	41
7	0	215	81	134	133	94	106	101	107	89	61	41
8	238	9707	0	8387	5879	5312	6271	5501	6341	5593	4051	3837
9	0	900	0	631	457	496	425	515	419	426	380	221
10	0	106	4	105	101	102	88	94	139	68	51	33
11	0	1533	0	1109	789	716	700	644	725	542	545	379
12	0	22	0	25	29	18	17	20	40	18	19	6
13	2	887	0	721	648	484	561	515	457	472	327	261
14	0	1258	0	902	756	702	761	704	653	691	466	354
15	0	33	11804	30	26	30	32	18	19	19	12	8
16	15851	9694	0	9163	18029	14392	14747	15650	14297	11712	10482	7978
17	0	578	0	490	306	263	302	273	309	260	222	325
18	7	1747	0	1481	1578	947	957	868	1034	799	823	533
19	1	762	0	544	417	317	351	320	363	301	321	194
20	1973	11	1334	15	1487	1060	1203	987	964	971	778	593
21	7125	25	5372	0	6284	4518	4780	4705	4212	3912	3450	3327
22	16003	11	12196	2	14711	10524	10920	10121	11515	9124	8293	6193
23	2451	0	1634	0	1960	1562	1315	1264	1472	1215	1045	730
24	33	1474	31	1286	1260	920	1172	990	969	894	927	604
North Totals	43708	48070	32439	40923	68699	54161	57298	55731	55306	47641	40633	32607
25	1435	0	1049	0	1172	1008	973	1025	909	830	777	514
26	404	0	300	0	348	250	245	286	237	210	206	133
27	49	0	40	0	47	21	23	22	22	19	31	12
Manana Totals	1888	0	1389	0	1567	1279	1241	1333	1168	1059	1014	659
28	730	0	541	0	602	412	375	466	345	355	326	229
29	311	0	182	0	317	248	286	257	248	247	173	138
30	640	0	457	0	526	355	414	319	300	333	246	183
31	15707	3	12246	1	13736	9945	10294	10341	9717	8968	7894	25290
32	289	0	345	0	426	260	266	243	276	229	241	155
33	3134	0	2584	0	2782	1690	1802	1700	1683	1555	1424	966
Felton Totals	20811	3	16355	1	18389	12910	13437	13326	12569	11687	10304	26961

SAN LORENZO VALLEY WATER DISTRICT
CONSUMPTION BY ZONE

Agenda: 1.19.17
Item: 13a1v

Zones	Jan-15	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
1	326	311	347	322	397	375	402	458	415	425	343	258
2	83	81	121	183	170	164	189	223	237	221	196	94
3	189	185	203	220	208	237	326	253	291	274	229	166
4	6869	5450	5779	7138	6624	7035	9539	7914	8396	7595	5959	5021
5	1724	944	1032	1115	1169	1405	1512	1356	1652	1463	1085	976
6	60	44	51	49	52	51	52	62	63	60	48	36
7	71	59	64	78	67	68	100	89	114	82	70	66
8	4567	3788	3864	4590	4438	4849	6115	5352	6775	5380	4144	3964
9	302	255	287	340	274	293	386	353	466	363	301	151
10	54	41	40	59	55	75	85	68	70	79	45	32
11	649	464	401	538	468	528	709	571	667	654	514	426
12	13	10	12	15	12	15	17	17	17	23	12	6
13	437	270	298	391	350	390	508	383	507	407	399	249
14	516	415	428	589	514	538	689	595	846	617	439	368
15	8	8	15	20	17	18	27	14	44	23	14	12
16	8729	7826	8767	10388	10232	10971	13128	13307	14181	13525	10530	7906
17	282	217	214	258	226	281	268	258	314	234	228	265
18	827	673	674	810	705	717	911	776	962	755	737	586
19	284	246	256	312	264	261	317	280	373	278	295	212
20	742	597	605	823	761	732	1018	889	940	1013	789	590
21	3367	2493	2587	3317	3984	3259	5163	5226	4947	4679	4120	3026
22	7333	6458	5402	8115	7125	7006	9817	9032	9940	7359	7438	6031
23	720	761	716	1160	937	979	1331	1187	1561	1327	1079	711
24	736	584	592	684	867	715	935	1063	929	929	696	536
North Totals	38888	32180	32755	41514	39916	40962	53544	49726	54707	47765	39710	31688
25	576	524	506	667	774	701	857	920	877	884	667	528
26	154	132	141	165	202	177	219	220	201	225	164	137
27	25	17	21	18	14	15	20	22	36	23	15	9
Manana Totals	755	673	668	850	990	893	1096	1162	1114	1132	846	674
28	264	227	206	276	288	259	322	374	364	208	148	124
29	158	130	125	179	140	154	234	198	243	185	171	179
30	239	193	191	268	286	231	333	256	307	271	236	212
31	7477	6048	5906	8188	7683	7018	9736	9279	10208	8432	7030	7588
32	231	176	210	236	207	212	268	244	359	275	297	173
33	1446	1108	1175	1590	1346	1350	1877	1548	1772	1445	1324	1043
Felton Totals	9815	7882	7813	10737	9950	9224	12770	11899	13253	10816	9206	9319

SAN LORENZO VALLEY WATER DISTRICT
CONSUMPTION BY ZONE

Agenda: 1.19.17
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Zones	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
1	329	288	296	430	319	449	448	475	508.85	408	475	378
2	76	63	57	91	118	216	211	229	173	151	72	69
3	437	276	151	149	169	271	284	305	304.92	247	176	162
4	7122	5428	5909	5840	6444	9068	9163	9567	8747.49	7159	5085	6362
5	1235	1018	1237	1029	1176	1748	1542	1610	1666	1245	822	1250
6	46	42	50	36	42	50	59	70	83	60	43	50
7	65	55	57	64	126	201	173	167	154	87	52	52
8	3970	4050	4342	3754	4465	6214	6963	6632	6001.34	4077	3690	3279
9	227	195	227	226	253	300	360	411	326	291	165	219
10	42	39	34	49	61	92	118	118	106	73	38	45
11	527	410	418	446	567	625	759	674	624	619	391	550
12	6	5	3	6	7	16	22	20	14	12	4	6
13	311	242	298	302	315	460	409	441	407	297	233	315
14	405	357	406	411	438	802	743	789	763	569	377	475
15	14	14	18	17	15	22	22	23	18	16	18	20
16	8487	1589	7985	9003	10501	13585	15009	15944	14740.21	12455	8885	5716
17	284	392	220	225	303	268	307	329	267.6	223	240	252
18	755	600	605	669	816	773	976	838	856	788	630	641
19	267	219	203	217	277	311	384	327	330.1	323	231	247
20	661	461	528	614	643	1047	1042	989	1207	962	629	649
21	3036	2802	3447	4390	3478	6851	5456	4909	5282	4279	4486	2899
22	4955	4230	5690	4978	6110	8786	9935	9466	10238.36	8897	5744	6084
23	535	432	637	557	704	1393	1723	1409	1441.53	1432	688	1050
24	1063	524	571	697	632	1004	969	1011	1041	815	587	613
North Totals	34855	23731	33389	34201	37977	54552	57076	56752	55300	45485	33761	31382
25	529	355	419	562	658	794	973	983	995	944	495	532
26	160	106	132	154	117	168	228	178	171	171	83	124
27	17	15	16	17	16	15	26	34	33	43	19	28
Manana Totals	706	476	567	733	791	977	1227	1195	1199	1158	597	684
28	133	218	260	306	304	418	547	558	691.95	452	340	232
29	350	101	118	118	133	196	246	232	227	190	110	128
30	195	161	178	157	175	272	255	294	466.56	276	165	181
31	6347	5394	6525	6305	7316	9692	10479	11103	10525.97	8663	5774	6867
32	223	162	256	172	228	225	271	265	301	250	165	227
33	1176	1026	1269	1136	1371	1634	1702	1824	1704.06	1482	1073	1326
Felton Totals	8424	7062	8606	8194	9527	12438	13500	14275	13917	11313	7626	8961

SAN LORENZO VALLEY WATER DISTRICT

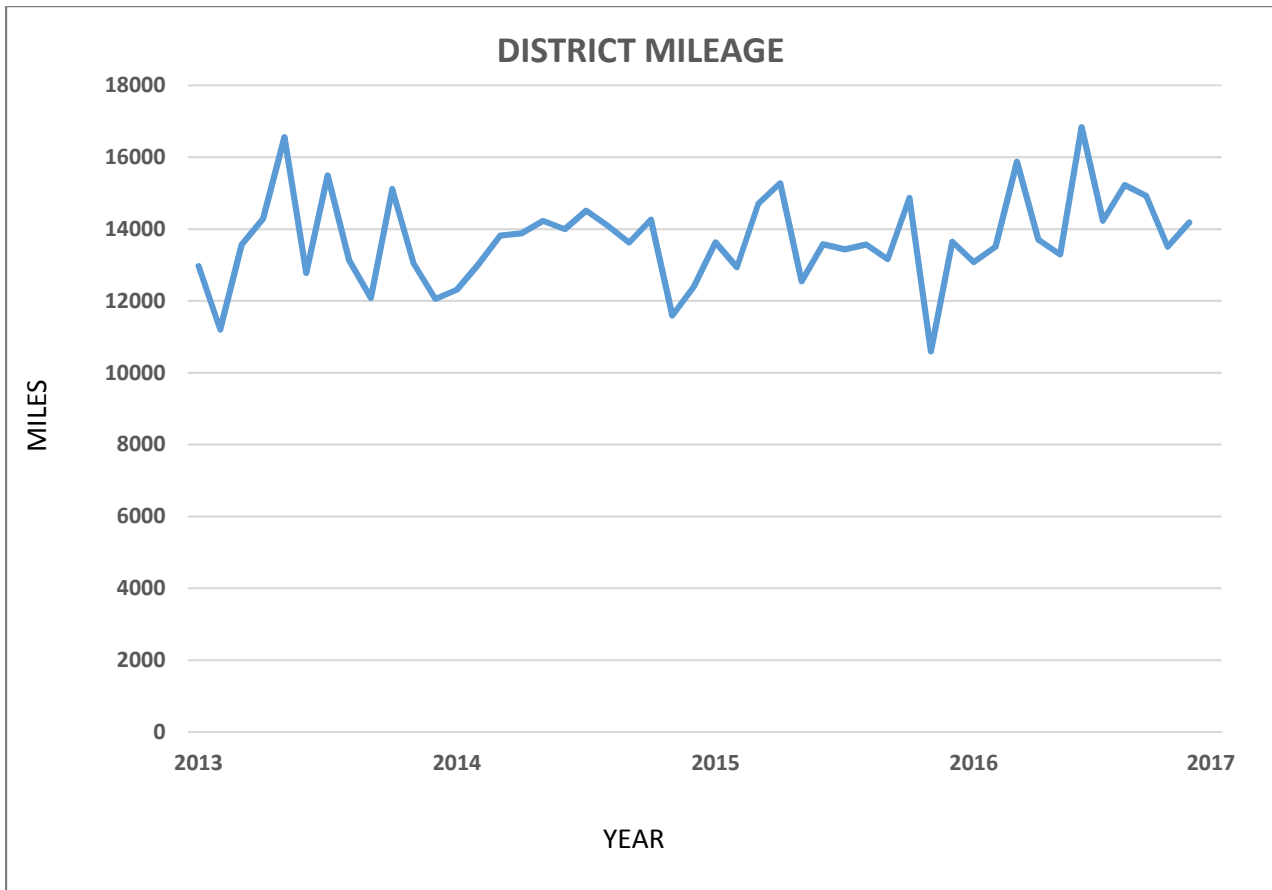
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SAN LORENZO VALLEY WATER DISTRICT

VEHICLE MILEAGE

December 2016

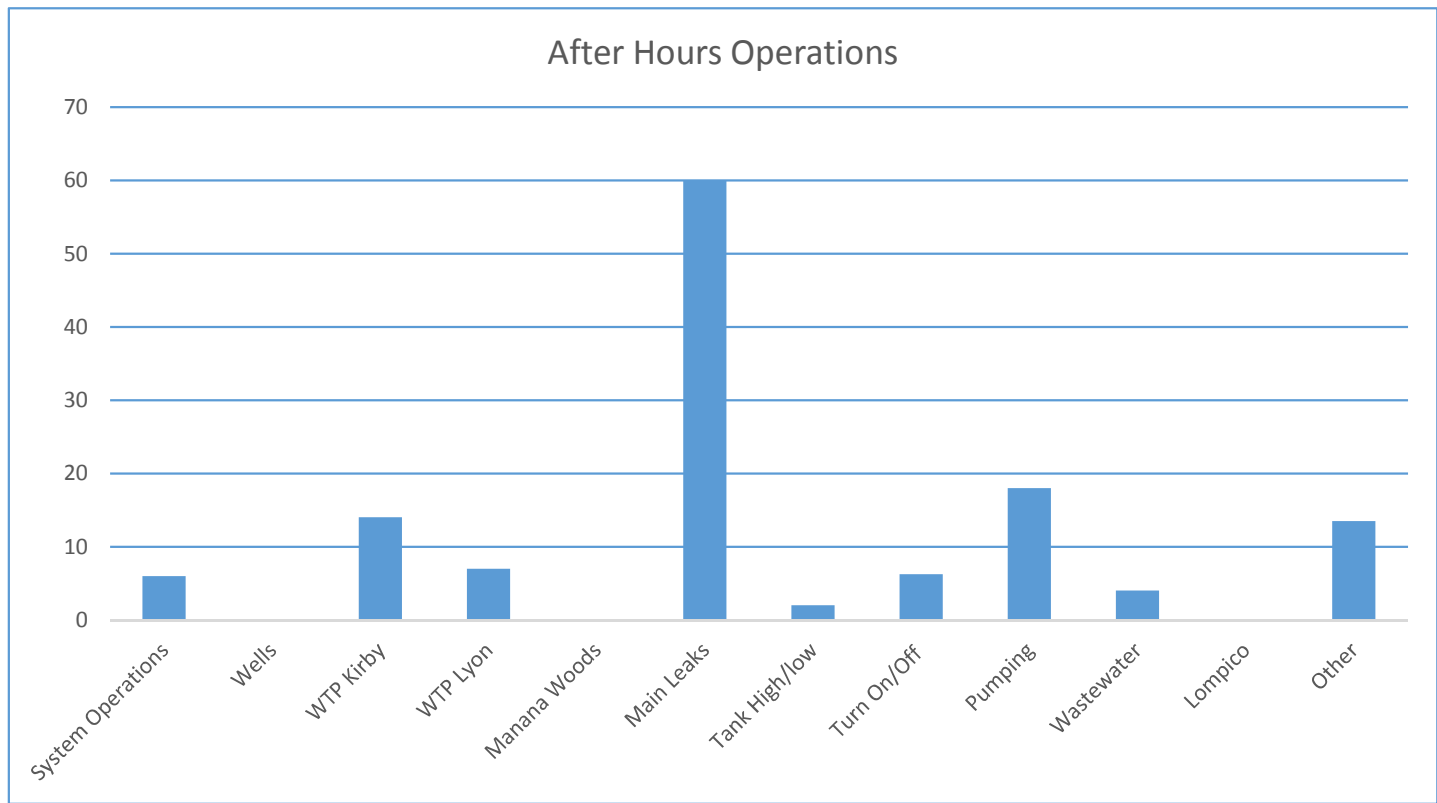
Agenda: 1.19.17
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Month	2013	2014	2015	2016
January	12,976	12,317	13,633	13,082
February	11,201	13,015	12,934	13,505
March	13,558	13,817	14,714	15,882
April	14,283	13,883	15,279	13,704
May	16,560	14,228	12,550	13,290
June	12,780	14,000	13,582	16,841
July	15,497	14,519	13,441	14,228
August	13,136	14,096	13,569	14,923
September	12,087	13,622	13,137	15,229
October	15,120	14,261	14,868	14,924
November	13,046	11,594	10,591	13,510
December	12,060	12,394	13,648	14,187
Totals	162,304	161,746	161,946	173,305

SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
December 2016

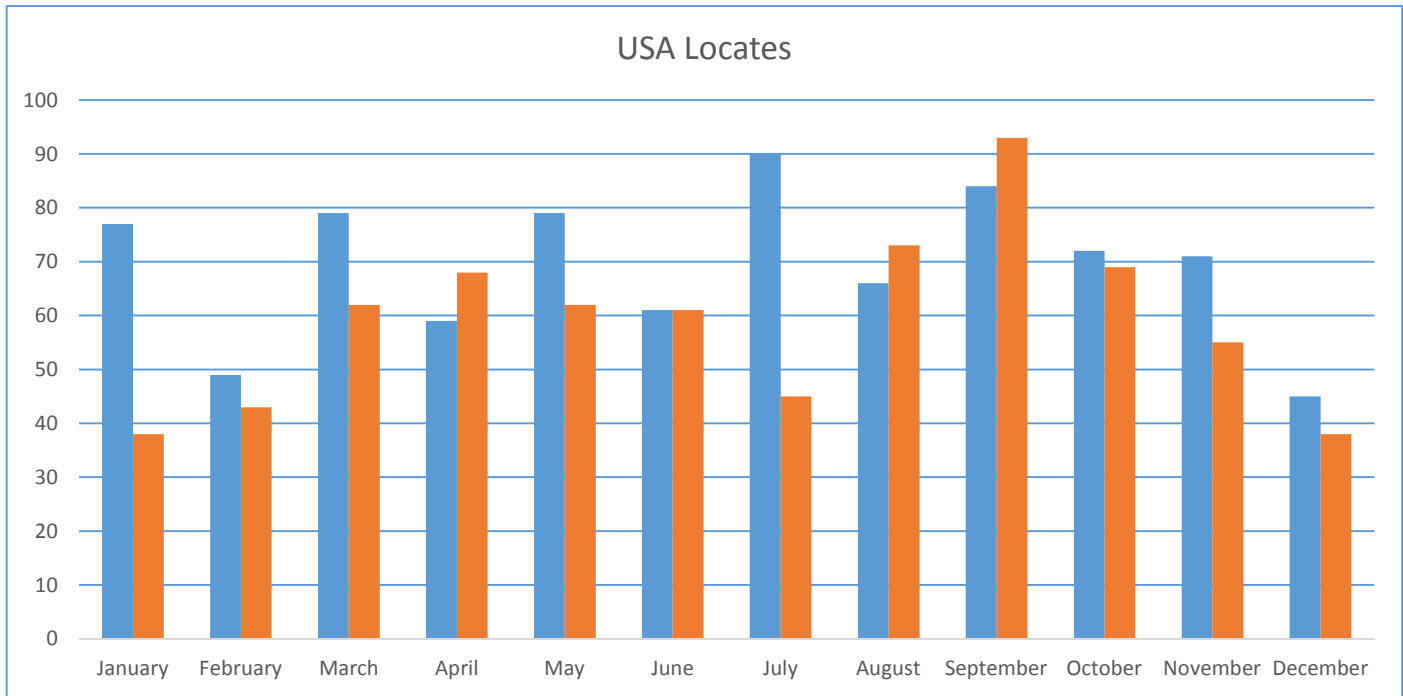
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Description	Hours		2015	2016
System Operations	6	January	N/A	145
Wells	0	February	N/A	86.5
WTP Kirby	14	March	N/A	153.75
WTP Lyon	7	April	82.50	72
Manana Woods	0	May	104.75	49.25
Main Leaks	60	June	172.50	83.25
Tank High/low	2	July	124.25	80.25
Turn On/Off	6.25	August	111.75	81.25
Pumping	18	September	230.25	175
Wastewater	4	October	128.25	78.5
Lompico	0	November	114.25	96.25
Other	13.5	December	186.25	130.75
Total	130.75		1254.75	1231.75

SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
December 2016

Agenda: 1.19.17
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<u>Month</u>	<u>2015</u>	<u>2016</u>
January	77	38
February	49	43
March	79	62
April	59	68
May	79	62
June	61	61
July	90	45
August	66	73
September	84	93
October	72	69
November	71	55
December	45	38
Total to Date	832	707



Former San Lorenzo Valley Water District board member ordered to pay back

~~WATER DISTRICT OF SAN LORENZO VALLEY WATER DISTRICT BOARD MEMBER ORDERED TO PAY BACK~~

BY **KARA GUZMAN**

POSTED ON DECEMBER 21, 2016

A California superior court judge has fined former San Lorenzo Valley Water District board member Terry Vierra \$9,300, the amount that he and his wife profited from a district board decision which Vierra influenced. Vierra and his wife, Molly Bischoff, are partners in a [Boulder Creek real estate business](#). In 2010, Bischoff was the listing agent for a [house that the district bought](#).

The problem was that while a district board member, Vierra influenced the board's decision to buy the property, a decision in which Vierra had a financial interest, and profited from.

The judge chose not to order the maximum penalty, which would have been three times the amount. The prosecutor, in a Dec. 13 statement, wrote: "The court does not believe that the defendant had evil intent in violating 91005 [the law] and finds that it is not necessary to set the maximum fine. Still, the legislature has set strict guidelines to prevent conflicts of interest with public officials and the court cannot ignore the law."

Vierra declined to comment, since the case is ongoing. Sometime in late 2017, the second part of the lawsuit against Vierra will be heard, on the district's alleged violation of government code Section 1090, which the League of California Cities calls the "When in Doubt, Sit it Out" code. The court initially found that the Section 1090 charges against Vierra and the district were wrongfully issued, but it's on appeal.

If the court finds that the district entered into a contract in which Vierra had a financial interest, more penalties could be issued. One possibility is the 2010 home sale could be voided, and the sellers, or more likely Vierra, could be ordered to return \$522,000 to the district. The district also could be liable for the prosecutor's legal fees.

NOT ON MY WATCH

The lawsuit was filed two years ago by Boulder Creek resident Bruce Holloway, a retired Silicon Valley computer engineer who heard about the house sale after he began attending water district meetings in 2011.

“I thought, ‘That’s really strange. Why would the water district buy a house?’” says Holloway.

He heard the reasons: The district was replacing nearby water tanks and wanted a staging area for construction and an extension of the property line, since the new tanks would need more space. But Holloway thought it didn’t make sense. Why couldn’t the district get an easement, like other utility companies do to install public equipment, or rent a dumpster and put it on the road for construction debris?

Holloway began digging through old meeting notes and asking board members in public sessions. Eventually, months later, a group with access to the real estate records tipped him off about Bischoff’s involvement as an agent.

That’s when Holloway made a records request for the house sale contracts and got proof of Vierra’s profit from the sale. Holloway studied the law, and zeroed in on what was illegal about Vierra’s actions.

Meanwhile, the district was embroiled in another controversy: in 2014, [it fired its district manager](#), two days after a civil grand jury report was released, blasting the district for its lack of financial and operational oversight.

Holloway knew the district board was going to choose the next manager, and he didn’t think Vierra had a right to take part in that important decision. Holloway approached Vierra at his office, a month before Vierra’s term ended.

“I told him he should pay the money back and resign,” says Holloway, which Vierra didn’t do.

Holloway filed the lawsuit against Vierra. And to Holloway’s dismay, Vierra took part in the decision to appoint Brian Lee, the district’s current manager.

DEFENDING VIERRA

One of Lee’s first actions as manager, in 2015, was to pay \$13,000 for Vierra’s legal defense. To this day, the district is still paying for Vierra’s

defense—a sum which exceeds \$36,000. Lee told *GT* he did not know the exact total offhand; he did not provide it before this article went to print.

“Terry was acting as a director of the district at the time of the claim, so we would be hard-pressed not to defend him,” Lee says. “And at this point in time, the district still feels that the judge misunderstood the law. And we think that it’s the right thing to do. We think that Terry—and even the judge said—Terry did not intend to do anything wrong. Terry tried very hard to do it right. So you know it seems kind of obvious that we would pay for his legal defense.”

Lee says the lawsuit has cost the district \$59,000 in legal fees. Several former board members testified on Vierra’s behalf. Margaret Bruce, the newly elected board president, also testified, but was unwilling to comment for this article, since the lawsuit is ongoing. Former board member Randall Brown wasn’t on the board in 2010 when the sale happened, but read about it and discussed it in the closed session meetings from 2012 to 2016.

Brown says Vierra excused himself a few times from decisions because he was aware of a possible conflict of interest, but mistakenly approved a group of payments that included the house sale.

Brown says the board wanted to pay Vierra’s legal fees because otherwise people may be discouraged to run for office.

“There was consensus on the board that this was one of our own and we had to own it,” Brown says.

Brown says it seemed that the judge was “practically almost embarrassed” to pass his ruling against Vierra, due to “a technicality.”

“The appeal is still pending, and that’s really the joker, is if [Holloway] wins, then that could set a lot of precedence,” Brown says. “I think Terry tried his best not to be in the middle of that. I think he knew he would have been wrong if he was involved more than he was.”

BAD ADVICE

Mark Hynes, the district’s counsel, was present in the closed session meeting in 2010 in which the board decided to buy the house.

Interestingly, Hynes is also Vierra’s lawyer, paid by the district to defend Vierra’s actions, which might have been avoided if Hynes had properly counseled the district back in 2010.

“Really, my target is the district counsel [Hynes],” says Holloway. “It’s because he’s giving the board really bad advice. And I need to demonstrate that you’re listening to the wrong kind of advice, and I don’t think that’s gotten through to them. I don’t think they’ve gotten it at all.” Hynes was reached for comment, but did not reply before this article went to print.

According to law, as a plaintiff, Holloway received \$4,600 of the \$9,300 that Vierra was ordered to pay. The state’s general fund received the other roughly \$4,600. Vierra also may be asked to pay for Holloway’s legal fees accrued thus far.

If Holloway wins his appeal, and the court orders the home sale void, the \$522,000 would be returned entirely to the water district. Holloway says he really doesn’t understand why the district is defending Vierra’s actions.

“I feel like I’ve got the pieces to a puzzle, and I think it might be worth half a million dollars to the public, and I need to illustrate to this agency that they’re really going in the wrong direction. They’re really taking the wrong advice and they’re spending money for the wrong purpose.”

Former SLV water director profited from his vote, judge rules

By Barry Holtzclaw | Posted: Thursday, December 22, 2016 2:05 pm

A Superior Court judge has ruled against a former director of the San Lorenzo Valley Water District, saying that he violated a state conflict of interest law that prohibits elected officials from participating in decisions that result in personal gain.

At issue was a 2010 vote by Terry Vierra while he was a member of the water district board that resulted in \$9,004.50 commission being paid to his real estate agency, and a \$3,001.50 commission paid to his wife.

The Dec. 13 ruling, to be finalized in early January, upheld claims from retired engineer Bruce Holloway of Boulder Creek that Vierra, at the time a longtime water district director, participated in and influenced a decision by the water district in 2010 to buy property on Rebecca Drive in Boulder Creek that was listed by the Century 21 agency owned by Vierra and his wife, Mary Bischoff.

The order to be signed by Judge John Gallagher of Superior Court in Santa Cruz would require that Vierra pay the amount of the agency commission, plus 11.4 percent of his wife's \$3,001.50 commission: half of the total to Holloway and half to the state.

The law stipulates that Vierra also has to pay Holloway's lawyer fees, estimated at about \$60,000. Vierra's lawyer fees already exceed \$59,000 said district manager Brian Lee.

Even though the water district, which now has all new board members since 2012, was separated from Holloway's lawsuit, Lee said the current board is paying all of Vierra's legal bills, and is likely to pay the court fines and legal bills to be imposed against Vierra.

Lee said the water district board will consider these payments at its January meeting, where it also is likely to discuss whether to appeal Gallagher's decision.

The district's rate payers are paying all of the legal bills of Vierra, now a private citizen, "because he was acting as a board member of the district" at the time of the real estate deal, said Lee.



Water district pays legal bills for former director

The San Lorenzo Valley Water District draws some water from the river watershed.

Vierra did not seek re-election in 2014.

Lee said, and the district argued in court, that the entire board was aware of Vierra's potential conflict when it voted on the real estate transaction.

"It was a small mistake," he said.

"All directors testified that they knew about the contract (that resulted in Vierra's agency commission) and approved the contract," said Redenbacher.

"This was a violation of the public trust, and the judge ruled according to the law," he said.

"We have to have confidence in our public officials."

Vierra had excused himself from public discussion of the deal, but had provided information, participated in the decision and voted to buy the land.

Holloway said he filed the lawsuit only because the district had rejected his request following the 2010 real estate deal to admit its mistake and force Vierra to resign.

Even though the board voted in 2014 to pay Vierra's continuing legal bills, Lee blamed Holloway for forcing ratepayers to pay Vierra's legal bills, which when combined could total nearly \$130,000, because he filed the lawsuit.

Further, Lee said the district doesn't agree with the judge's view of the conflict of interest law, which specifically prohibits any public official from participating in a decision that results in financial gain.

Vierra's attorney in the case, Marc Hynes of Los Gatos, also is the water district's attorney.

Holloway's attorney, Gary Redenbacher of Scotts Valley, said "It's very clear in the law that government officials are not to enter into a contract that enriches them."

He said the judge made this very clear in his ruling from the bench last week.

Gallagher could have imposed fines up to the equivalent of triple the commission, but told the lawyers in court that he did not impose the maximum because the defendant had no malicious intent.



Salmonid Restoration Federation

December 5, 2016

Dear Ms. Michelsen,

I am writing on behalf of Salmonid Restoration Federation to encourage the San Lorenzo Valley Water District to co-sponsor the 35th Annual Salmonid Restoration Conference, which will be held in Davis, CA from March 29-April 1, 2017.

Salmonid Restoration Federation (SRF) is a non-profit organization that promotes stewardship, sustainable management, and restoration of California's salmon, steelhead, and trout populations and their habitat. We provide critical educational services for California's community-based salmonid restoration organizations and agencies by producing an annual conference, field schools, and workshops. SRF's statewide conference on salmonid restoration provides an opportunity to explore innovative watershed restoration projects, participate in technical workshops, attend concurrent sessions, and enjoy an exciting plenary on the state of salmonid recovery in California.

Field Tours

- Watershed Day at the Capitol, a Legislative Tour
- Stanislaus River Restoration Sites Rafting Tour
- Yolo Bypass and Putah Creek Restoration Projects
- Fins, Feathers, Farms and Floodplain Fecundity: Multi-Use Floodplain Projects in the Lower Sacramento Valley
- American River Gravel Augmentation and Floodplain Restoration Sites

Workshops

- Fish Passage from Tidewater to the Sierra
- State of Beaver Restoration in California
- What We've Learned About West Coast Floodplains: Lessons from the Landscape

Concurrent Sessions

- Reintroduction of Salmon into their Historic Habitats
- Swirling in Sediment and Slowing Fisheries Recovery
- Protecting, Connecting, and Re-imagining Floodplain Habitat: Strategies for Restoring the Benefits of Floodplains to Juvenile Salmon
- Using Photogrammetric and Aerial Vehicle Technology to Support Salmonid Restoration Planning & Engineering
- Central Valley Recovery Planning and Restoration
- Reviving a River: Spring-Run Chinook Reintroduction and Restoration of 150 Miles of the San Joaquin River
- Hatchery Supplementation: Friend or Foe?
- Estimating Juvenile Salmonid Survival Across Diverse Spatio-temporal Scales
- Visioning Salmon Recovery — Restoring Ecological Function in the Central Valley's Working Landscapes through Science, Collaboration, and Structured Decision Making

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For contributions of \$10,000 or greater Conference Sponsors receive:

- Ten conference passes and ten banquet tickets reserved
- Banner space
- Name in Newsletter, Proceedings, registration materials, program, and website
- Acknowledgment during plenary session announcements

Session Sponsors:

Session Sponsors provide \$5,000 or an in-kind donation of equal value and receive:

- Six conference passes and six banquet tickets reserved
- Banner space
- Name in Newsletter, Proceedings, registration materials, program, and website
- Acknowledgment during plenary session announcements

General Sponsors:

General Sponsors provide \$1,000 or an in-kind donation of equal value and receive:

- Two conference passes and two banquet tickets reserved
- Name in Newsletter, Proceedings, program and website
- Acknowledgment during plenary announcements

Hospitality Sponsors:

Hospitality Sponsors provide \$500 or an in-kind donation of equal value and receive:

- One conference passes and one banquet ticket
- Name in Newsletter, in Proceedings, program, and website
- Acknowledgment during plenary announcements

Thank you for considering how to support the 35th Annual Salmonid Restoration Conference. **Please contact SRF's Program Manager, Sara Schremmer, with any questions at sara@calsalmon.org.** Salmonid Restoration Federation is a 501(c) 3 non-profit organization and all donations are tax-deductible. Our federal tax ID # is 68 0187121.



Dana Stolzman
Executive Director
Salmonid Restoration Federation



SAN LORENZO VALLEY WATER DISTRICT

13060 Highway 9 • Boulder Creek, CA 95006-9119

Office (831) 338-2153 • Fax (831) 338-7986

Website: www.slvwd.com

January 13, 2017

Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, California 93401-5427

Re: Letter of Match Commitment and Support for Upper Zayante Creek Stream Wood Enhancement
PIN# 37412 - Project Application of the Resource Conservation District of Santa Cruz County

Dear Grant Review Committee:

I am writing to express support for the Resource Conservation District of Santa Cruz County's (RCD) request for funding for the Upper Zayante Creek Stream Wood Enhancement Project. The Project seeks to enhance salmonid habitat in Upper Zayante Creek, a key tributary of the TMDL listed San Lorenzo River, through the implementation of four types of wood enhancement, primarily to benefit salmonid species, but with the additional benefit of improving water quality. The project will provide critical winter refuge habitat for juvenile steelhead and Coho salmon, increase channel complexity reflected in number of pools, filter and sort sediment, and increase cover and increased sinuosity.

The proposed project builds on previous efforts, including stream surveys conducted in 2014, and the installation of 15 in-creek habitat structures completed in 1994 on a City of Santa Cruz property. The Project was identified as a high priority through the San Lorenzo River 2025 partnership in conjunction with the county-wide Integrated Watershed Restoration Program (IWRP), and through IWRP, the Coastal Conservancy is currently supporting the design and permitting phase of the Project.

If funded, several of the proposed structures will be implemented on property owned by the San Lorenzo Valley Water District (SLVWD). Further, this project will complement the SLVWD's efforts to protect, preserve and where possible, enhance and restore significant aquatic resources on District lands.

The SLVWD will provide the project with in kind match in the form of land and stream access, large wood resources, and staff time, including:

Environmental Programs Manager: 50 hrs @ a rate of \$47.73/hr for total of \$2,386.

Thank you again for your consideration of this project. Please contact me should you have any questions.

Sincerely,

Brian C. Lee

District Manager

San Lorenzo Valley Water District