



**SPECIAL
BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
May 29, 2019**

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

Notice is hereby given that a special meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Wednesday, May 29, 2019 at 5:30 p.m.**, SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

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 Closed Session 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 Regarding Items in Closed Session:

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 five (5) 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)
Holloway v. Showcase Realty Agents, Inc. et al.
(Santa Cruz Superior Court Case No. CV180394; 6th District Court of Appeal Case Nos. H044505, H044800).
- b. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Vierra v. San Lorenzo Valley Water District, et al.
(Santa Cruz Superior Court Case No. 18CV00890)

Closed Session Note:

The Brown Act prohibits the disclosure of confidential information acquired in a closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury. It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions. Only the legislative body acting as a body may agree to divulge confidential closed session information; regarding attorney/client privileged communications, the entire body is the holder of the privilege and only a majority vote of the entire body can authorize the waive of the privilege.

5. Report of Actions Taken in Closed Session

6. Reconvene to Open Session/Roll Call

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, communication must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.

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

9. Unfinished Business:

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

- a. GRAND JURY
Follow-up to Grand Jury response regarding their letter.
- b. SAN LORENZO VALLEY WATER DISTRICT CONFLICT OF INTEREST
CODE UPDATE
Update to the District's Conflict of Interest Code.
- c. BOARD COMMITTEE ASSIGNMENTS
Discussion and possible action by the Board regarding committee assignments.

10. New Business:

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

- a. RESOLUTION OF APPRECIATION FOR MARGARET BRUCE
Discussion and possible action by the Board regarding Appreciation of Margaret Bruce Resolution No. 32 (19-20).
- b. FISCAL YEAR 2019/20 BUDGET REVIEW
Discussion and possible action by the Board regarding the review of the FY 2019/20 Budget.

11. 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 item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public.

- a. MINUTES FROM BOARD OF DIRECTORS MEETING MAY 2, 2019
Consideration and possible action by the Board to approve minutes from the May 2, 2019 BoD meeting.
- b. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING MAY 15, 2019
Consideration and possible action by the Board to approve minutes from the May 15, 2019 Special BoD meeting.
- c. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING MAY 21, 2019
Consideration and possible action by the Board to approve minutes from the May 21, 2019 Special BoD meeting.

12. District Reports:

No action will be taken and discussion may be limited at the President's discretion. The District encourages that questions be submitted in writing (bod@slvwd.com) on items listed in the District Reports. Questions submitted, if any, will be posted in the next available District Reports, along with a reply.

- DEPARTMENT STATUS REPORTS

Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.

- Engineering
- Environmental
- Finance
 - Status Report
 - Quarterly Financial Report
 - Bill List
- Legal
- Operations

- COMMITTEE REPORTS

- Future Committee Agenda Items
- Committee Meeting Notes/Minutes
 - B & F Committee Minutes 4.9.19
 - Environmental Committee Minutes 4.11.19
 - LADOC Workshop 4.17.19
 - Admin Committee Minutes 5.1.19
 - B & F Committee Minutes 5.7.19

13. Written Communication:

- Letter to Board from Valley Women's Club-Environmental Committee
- Letter to Board 5.2.19 - Support of B. Hollenbeck
- Email from J. Graham 5.8.19 - Redwood Mountain Faire
- Email from E. Watson 5.8.19 - Redwood Mountain Faire
- Email from V. Wright 5.9.19 - Redwood Mountain Faire
- Email from J. Thayer 5.13.19 - Fish Monitoring
- Email from J. & L. Gomez 5.13.19 - Environmental Programs
- Email from A. Krostue 5.13.19 - Fish Monitoring
- Email from P. Gelblum 5.13.19 - Fish Monitoring
- Email from C. Dzendzel 5.14.19 - Budget Cuts
- Email from J. Parks 5.14.19 - Fish Monitoring
- Email from M. Lee 5.14.19 - Santa Cruz Water Rights
- Email from S. Sakasai 5.14.19 - Fish Monitoring
- Letter from J. Mio 5.14.19 - Fish Monitoring
- Letter from N. Moore 5.14.19 - Budget Cuts
- Email from B. Hanson 5.15.19 - Budget Cuts
- Email from K. Holl 5.15.19 - Fish Monitoring
- Email from L. Watson 5.15.19 - Budget Cuts
- Email from M. Goldberg 5.15.19 - Fish Monitoring
- Email from M. Marzell 5.15.19 - Fish Monitoring

- Email from M. Shargel 5.16.19 - Budget
- Email from R. Brune 5.16.19 - Fish Monitoring
- Email from J. Hendricks 5.16.19 - Redwood Mountain Faire
- Email from S. Ainsworth 5.17.19 - Fish Monitoring
- Email from B. Harris 5.21.19 - Fish Monitoring

14. Informational Material:

- Call for Nominations from LAFCO 4.24.19
- Water District Criticized - SC Sentinel 5.7.19

15. Adjournment

Certification of Posting

I hereby certify that on May 24, 2019 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 24 hours in advance of the special meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on May 24, 2019.

Holly B. Hossack
District Secretary



NOSSAMAN LLP

Memorandum

TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, District Counsel

DATE: May 29, 2019

RE: Grand Jury Follow-Up
502665-0001

RECOMMENDATION:

Review the attached draft response to follow-up correspondence from the Santa Cruz County Civil Grand Jury and provide comments and edits. (See Attachments 1 & 2.)

The Grand Jury graciously granted an extension of the District's deadline to June 10 (see Attachment 3), so it is not necessary to finalize and approve the draft response at this time. If the response is not approved at this meeting, it should be revisited at the first regular Board meeting in June.

BACKGROUND:

On May 31, 2018, the Grand Jury issued its 2017-2018 report entitled: "*San Lorenzo Valley Water District: Encouraging the Flow of Information to the Public.*" (Attachment 4.) The Report set forth three findings and eight recommendations to which the Board was required to respond in writing. On August 22, 2018, the Board submitted its written response to the Grand Jury. (Attachment 5.) The Board's response included commitments to implement the Grand Jury's eight recommendations, and provided projected timeframes for each item.

The Board is in receipt of correspondence from the Grand Jury that requests a follow-up report by May 17, 2019 (extended to June 10). In particular, the Grand Jury is requesting (1) documentation reflecting implementation of each recommendation, or (2) for each recommendation that has not been implemented, "all documentation related to the analyses, discussions, and other steps you took to consider the recommendation."

Some or all of the materials that the Board provides to the Grand Jury in response to its follow-up request(s) may be posted to the Grand Jury's website. The Board could receive additional follow-up requests from the Grand Jury.

STRATEGIC PLAN:
Element 6.0 Public Affairs

Element 9.0 Administrative Management

FISCAL IMPACT:
TBD

ATTACHMENTS:

- Attachment 1 - Proposed [draft] response to the Grand Jury
- Attachment 2 - Correspondence from the Grand Jury to SLVWD's Board of Directors, dated April 18, 2019
- Attachment 3 - Correspondence from the Grand Jury confirming extension to June 10, 2019
- Attachment 4 - 2017-2018 Grand Jury Report entitled, "*San Lorenzo Valley Water District: Encouraging the Flow of Information to the Public*"
- Attachment 5 - SLVWD Board Response to Grand Jury Report, dated August 22, 2018

Attachment 1

DRAFT Letter Response to Santa Cruz County Grand Jury

[SLVWD Letterhead]

June __, 2019

Ms. Peggy Flynn, Foreperson
2018-19 Santa Cruz County Grand Jury
701 Ocean Street, Room 318-I
Santa Cruz, CA 95060
Email: grandjury@scgrandjury.org

Re: Response to Follow-Up Correspondence from Santa Cruz County Grand Jury,
dated April 18, 2019

Dear Ms. Flynn:

The Board of Directors ("Board") of the San Lorenzo Valley Water District ("SLVWD" or "District") is in receipt of your correspondence dated April 18, 2019, which seeks follow-up information about actions taken in response to each of the eight recommendations set forth in the 2017-18 Grand Jury's report entitled, *"Encouraging the Flow of Information to the Public."* Each recommendation is copied below along with a corresponding status update regarding its implementation.

Recommendation R1.

LADOC [short for Lompico Assessment District Oversight Committee] should produce an annual report detailing the status of Assessment District revenues and expenditures.

Status update R1.

The LADOC Charter written and adopted by LADOC and approved by the Board on March 21, 2019, establishes a format for the LADOC annual report and states that the report will be completed "as soon as possible after June 30 of each year, presented using preliminary financial data." Thus, the first annual report is anticipated to be completed during the third quarter of 2019.

Recommendation R2.

The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in depth information to the public about the timing, funding, and execution of AD projects.

Status update R2.

The District remains committed to scheduling annual workshop-style meetings to review the LADOC annual report following its release. As described above, the first LADOC annual report

is anticipated to be completed during the third quarter of 2019, and the first such workshop-style meeting will follow its release.

Recommendation R3.

The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role.

Status update R3.

As stated above, the LADOC Charter was written and adopted by LADOC and approved by the Board on March 21, 2019. A copy of the LADOC Charter is enclosed with this letter.

Recommendation R4.

The Board should ensure that LADOC receives adequate professional, technical, and administrative support from the District, as well as the authority to carry out its oversight responsibilities.

Status update R4.

The LADOC Charter confirms the scope of LADOC's authority and the professional, technical, and administrative support to be provided by the District.

Recommendation R5.

The District should provide formal training for all LADOC citizen committee members in governance, meeting management, and the Brown Act.

Status update R5.

The LADOC Charter confirms the District's commitment to provide training to LADOC members on topic including Brown Act, Roberts Rules of Order, Conflict of Interest, and any other training as deemed useful and requested by the Committee. The first such training was offered on January 23, 2019, on Brown Act and Ethics, presented by the Chief Risk Officer of the Special District Risk Management Authority. The District also conducted a charter writing workshop with LADOC on January 28, 2019. Copies of materials for these meetings such as agenda and minutes are enclosed with this letter.

Recommendation R6.

The District should provide formal training about assessment districts to LADOC members and all others involved in the administration of the Assessment District.

Status update R6.

The LADOC Charter confirms the District's commitment to provide training to LADOC members regarding assessment district procedures upon LADOC's request.

Recommendation R7.

The District should record all Board and committee meetings, and post the recordings online for public access.

Status update R7.

The District continues to work with Community Television to videotape its regular Board meetings and to make the videos available online to the public. In January 2019 the Board adopted a revised Policy Manual which increases the number of regular Board meetings from one to two per month. This increased number of regular Board meetings reduces the need for

special meetings that generally are not videotaped. (Committee meetings are not videotaped due to resource constraints.) The revised Board Policy Manual also calls for summary minutes rather than action minutes for all public meetings, and such summary minutes provide more information to members of the public not in attendance. The revised Board Policy Manual and examples of minutes in the new format are attached. Also, the District continues to experiment with technology that embeds links to audio recordings of meetings into the minutes.

Recommendation R8. The District should provide formal training to all Board and committee members and senior staff on how to communicate with the public on contentious issues.

Status update R8. The District remains committed to provide training on how to communicate with the public on contentious issues to all Board and Committee members and senior staff. The District has been made aware of potential training resources on this topic and welcomes any additional suggestions. The District intends to provide such training by the end of this year.

Sincerely,

Lois Henry,
President, SLVWD Board of Directors

cc: Bob Fultz, Vice President, SLVWD Board of Directors
Lew Farris, SLVWD Board of Directors
Bill Smallman, SLVWD Board of Directors
Steve Swan, SLVWD Board of Directors
Rick Rogers, District Manager
Gina Nicholls, District Counsel

Enclosures:

LADOC Charter
Board Policy Manual
Meeting Minutes & Agendas

From: Grand Jury [<mailto:grandjury@scgrandjury.org>]
Sent: Thursday, April 18, 2019 7:44 AM
To: Board of Directors
Cc: Bob Fultz
Subject: Grand Jury Report Follow-Up



County of Santa Cruz

Grand Jury
701 Ocean Street, Room 318-I
Santa Cruz, Ca 95060
(831) 454-2099

April 18, 2019

Members of the Board of Directors
San Lorenzo Valley Water District
13060 Hwy 9
Boulder Creek, CA 95006

Dear Board Members:

In 2018 the Grand Jury issued a report to the San Lorenzo Valley Water District entitled, *"Encouraging the Flow of Information to the Public."* Today the Grand Jury is following up on the actions which you took in response to the recommendations in that report. In your reply, you indicated that you would follow up on the recommendations specified below:

"b. HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE, *with a timeframe or expected date for implementation*"

- Recommendations 1 through 8

For reference, your complete responses are available at: http://www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2018_final/SLVWDAndThePublic_BoD_Response.pdf

For each recommendation that you committed to implement in the future and then did implement, please provide documentation. For example, if you indicated that you would devise a plan, please provide a copy of the plan.

For each recommendation that you committed to implement but did not implement, please provide all documentation related to the analyses, discussions, and other steps you took to consider the recommendation. Relevant documents might include analyses, proposals, meeting minutes, draft plans, and emails.

All documents submitted to the Grand Jury should be dated. In addition, if your cover letter or cover email presents substantive information, such as describing actions taken or documents created, then you must include the date of every action and every document you reference.

Please email the requested documents to grandjury@scgrandjury.org or send them to Grand Jury, 701 Ocean Street, Room 318i, Santa Cruz, CA 95060, by May 17, 2019.

If you have any questions about this request for documents, please contact us at 831-454-2099 or grandjury@scgrandjury.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peggy Flynn".

Peggy Flynn, Foreperson
2018–19 Santa Cruz County Grand Jury

Nicholls, Gina R.

From: Grand Jury <grandjury@scgrandjury.org>
Sent: Thursday, May 16, 2019 7:04 AM
To: Nicholls, Gina R.
Subject: Re: Grand Jury Report Follow-Up

Dear Ms. Nichols,

Thank you for your emails of May 10, 13, and 15. Our committee met Wednesday to discuss your request for an extension.

Absent some compelling reason for further delay, please respond to our request no later than June 10, 2019.

After reviewing the Board's meeting calendar, we believe that this extended deadline allows sufficient time for the Board to respond to our request. **Thank you for your attention to this matter.**

Sincerely,



Peggy Flynn, Foreperson
2018–19 Santa Cruz County Grand Jury

On Wed, May 15, 2019 at 9:03 AM Nicholls, Gina R. <gnicholls@nossaman.com> wrote:

Hello,

I am following up again regarding the request for extension below on behalf of SLVWD. It would be immensely helpful to get a response so that we can figure out how to proceed.

Thanks very much.

Gina R. Nicholls
Attorney at Law
NOSSAMAN LLP
777 South Figueroa Street, 34th Floor
Los Angeles, CA 90017
gnicholls@nossaman.com
T 213.612.7800 F 213.612.7801
D 213.612.7815



San Lorenzo Valley Water District

Encouraging the Flow of Information to the Public

Summary

Since mid-2016 the San Lorenzo Valley Water District (SLVWD or District) has struggled to address public concerns about a number of controversial issues. The administration of the Lompico surcharge and capital projects, use of glyphosate in the watershed, and a lawsuit involving a former Board member, were among the issues that drew sharp criticism from citizen groups and the press. The criticisms tested the capacity of the District's representatives to maintain productive and civil interactions with the community and, at times, with one another.

Although the Lompico surcharge has now been eliminated, other disputes and communication challenges remain. Issues such as the District's handling of legal matters, management of the Lompico Assessment District and capital projects, and support for the Lompico citizen oversight committee continue to be divisive. In addition, District changes to meeting practices in 2017 have reduced public access to the debate and decision-making process and compromised the community's understanding of the issues.

Better communication on difficult matters, an informed and effective Assessment District oversight committee, and an unwavering commitment to public access, will enable greater transparency and may restore trust and foster better relationships within the SLVWD community.

Role of the Grand Jury

A special note: The Grand Jury conducts all investigations in a confidential manner. Witnesses are admonished not to disclose their contacts with the Grand Jury. In the course of this investigation, however, several interested parties made public statements asserting that an investigation was underway, including speculation about the likely focus and outcome. Thus, it is appropriate to clarify the proper role of the Grand Jury, including its statutory limitations.

The primary function of a civil grand jury is to investigate the function of local government agencies, publish its findings, and recommend ways to improve governmental operations.^[1]

The Grand Jury has no power to remedy individual situations. It cannot vindicate the positions of aggrieved parties nor right past wrongs. The strength of a grand jury investigative report comes from informing the public about the practices of local governmental bodies, with the expectation that an informed public will ensure effective government.

Background

The Santa Cruz County Civil Grand Jury issued a report in 2014 regarding the San Lorenzo Valley Water District's lack of transparency in dealing with the public.^[2] In the wake of that report, the District made a number of positive changes to expand access to the workings of the District, including providing better information in its annual reports and arranging for Community Television of Santa Cruz County (CTV) to record video of all regular Board of Directors meetings. It also made notable organizational and administrative changes. It brought in new senior staff in 2015; it completed its annexation of the Lompico County Water District in 2016; and in the Fall of 2017, it obtained a significant increase in water rates, paving the way for a 10-year capital improvement program to upgrade infrastructure throughout the District.

Since 2016 the District has come under fire again for its lack of transparency. The key issues concern the administration of the conditions of the Lompico merger, as well as the District's handling of several controversial matters. The Grand Jury sought to understand public concerns and to investigate the District's current standards for accountability and transparency.

LCWD-SLVWD Merger

Financial problems, an aging infrastructure, and the threat of state intervention obliged the Lompico County Water District (LCWD) to look to SLVWD for help in 2013. After two years of complex negotiations, SLVWD agreed to annex LCWD if Lompico ratepayers would pass a bond issue to fund infrastructure improvements, and agree to pay a surcharge to cover extra costs related to integrating Lompico operations into SLVWD. The conditions were laid out formally in [Resolution 953-A](#), which all parties refer to as the “merger agreement.” Similarly, while the transaction is more correctly termed an annexation, all parties refer to it as the “merger.”

A bond issue to provide SLVWD with immediate funding for the Lompico infrastructure projects failed by a narrow margin in 2015. The parties then agreed to the formation of an assessment district as a “similar revenue instrument” which would collect the required funds over a 10-year period. In addition, the parties retained the requirement that SLVWD would create a “Lompico oversight committee.”^[3] The assessment district passed in a new ballot measure in March 2016, clearing the way for the merger on June 1, 2016.

By October 2016, Lompico ratepayers were already arguing that changed financial circumstances had reduced the need for the surcharge specified in Resolution 953-A. First, during the year between the failure of the bond initiative vote and the success of the assessment district vote, LCWD passed a significant rate hike, which put it in better financial shape than the merger agreement had contemplated.^[4] Second, SLVWD decided to immediately install a temporary supervisory control and data acquisition (SCADA) system and replace water meters. Those actions substantially reduced the financial burden of integrating and operating the Lompico service area by eliminating the need for workers to monitor water storage tank levels and read the meters in Lompico manually.^[5]

Lompico ratepayers requested a speedy review of the 5-year surcharge, with the goal of bringing the surcharge to an early end. For its part, the District asserted that it needed time to understand the Lompico audited financial statements and future demands. The surcharge review process began ten months later, in April 2017. Over the months of discussions about the surcharge, the public and the District traded accusations that the other was not listening. Civility declined.

While the surcharge involved several hundred thousand dollars over five years, an early controversy arose over a set of mapping charges for three Zayante parcels totalling just \$20,847.^{[6] [7] [8]} The charges were not part of the Lompico merger, but the District included them in the original computation of LCWD’s transferred liabilities anyway.^{[9] [10] [11]} Including these mapping charges meant that Lompico ratepayers would pay for them indirectly through the monthly surcharge. Later, in the course of forecasting whether the surcharge was still needed, the District removed the mapping charges, but did not publicize the change to concerned citizens. The surcharge issue eventually came to a resolution, but because of communication issues, like the Zayante mapping charges, mistrust and dialog problems remained.

Another condition of the merger, the 10-year Assessment District, provided \$2.75 million to fund a set of capital improvement projects specified in the accompanying Engineer's Report.^[12] It also provided for the collection of an additional \$183,000 for interest payments on anticipated loans taken against future Assessment District collections. The Engineer's Report lists the Lompico capital improvement projects and the estimated cost of each project. It contains few other details about the projects or their implementation.

Since the merger, District representatives and members of the public have raised financial issues not addressed in either the merger agreement or the Engineer's Report. These concerns include questions about what adjustments are possible under the Assessment District (AD) if some projects come in substantially over or under budget, or if the District obtains grants to fund any of the listed projects.^[13]^[14] Other questions have focused on the disposition of the funds collected over the years for loan interest if no loans are obtained.^[15] Still other financial concerns are centered on what would happen with the designated AD funds if a listed project is later determined to be unnecessary.^[16]

The construction timeline has been another area of concern. Public discussions and presentations before the merger had laid out the District's plans to start the Lompico projects shortly after the merger, with funding coming from loans taken out against the AD.^[17]^[18] After the merger however, the District staff investigated loan funding and reported back that it found fewer acceptable loan opportunities than it had anticipated. Instead, the District opted for pay-as-you-go construction funding for most years, with a possible bridge loan in years four through seven.^[19]^[20]

In September 2017 the District was successful in obtaining substantial increases in water rates for the next five years to fund capital improvements. This success allowed the District to update its Capital Improvement Program (CIP) to go forward on several critical, long-delayed pre-merger projects.

The new CIP, introduced in November 2017, specifies all District projects for the next 10 years, including all of the Lompico projects identified in the Assessment District Engineer's Report.^[21] The CIP assigns priority rankings to each project. Under this new plan, Lompico projects are still scheduled to be completed within 10 years, but have a lower priority for completion than a number of projects in other service areas.^[22]

Lompico ratepayers have expressed their concerns that the lower priority ranking of the Assessment District projects might lead to delays and higher construction costs, with a possible consequence that some of the AD projects might not be done.

Lompico Assessment District Oversight Committee (LADOC)

The LCWD-SLVWD merger agreement required the formation of a "bond oversight committee." To address that requirement, the District created an oversight committee, later named the Lompico Assessment District Oversight Committee (LADOC), consisting of five citizens from the Lompico service area. The responsibilities and boundaries of LADOC's role were the subject of early debate.

SLVWD updated its policy manual to add the new oversight committee.^[23] It then solicited applicants.^[24] The policy manual described the committee's role in broad terms:

The Committee shall be responsible to review matters of stewardship, design, construction, replacement, and repair of the District facilities and property directly related to Assessment District 2016-1, the Lompico Service Area.^[25]

LADOC's opening meeting was August 23, 2016. At its second meeting, held on October 6, 2016, the committee decided to pursue several open questions and issues that appeared to fall under its purview. Less than two weeks later, at the October 16, 2016 Board of Directors meeting, the Board debated the reduction of LADOC's duties,^[26] by changing the description of its role to one which it said more closely resembled the wording of the merger agreement.^[27] At the next Board meeting, the SLVWD policy manual was amended to read:

The Committee shall be responsible to review matters of revenue and expenses directly related to Assessment District 2016-1 projects.^[28] ^[29]

District representatives refer to this one sentence description of the responsibilities of LADOC as the LADOC "charter."^[30] The responsibilities of LADOC continue to be the subject of discussion and disagreement.^[31]

Public Meetings and Other Communication Practices

SLVWD is responsible for setting the tone for communications with the public.^[32] The communication environment includes the policies and procedures for Board meetings and other interactions with the public. The communication environment also encompasses the care the District takes to provide an atmosphere conducive to public engagement.

Communication problems came to the forefront in 2017. The District received public criticism not only for its handling of several controversial matters, but also for its handling of the resulting public fallout. During the same period, the District also instituted changes to its meeting practices that had the effect of reducing public participation and understanding. Among other changes, the District switched from holding mostly regular meetings of the Board to holding mostly special meetings of the Board, which were far less likely to be video recorded by Community TV.^[33] ^[34] It also switched from detailed minutes to brief "action minutes."^[35]

Scope of Grand Jury Investigation

From July 2017 through April 2018, the Grand Jury looked into SLVWD interactions with the public in three broad areas:

- Assessment District 2016-1, including:
 - the planning and execution of the capital improvement projects for the Lompico service area pursuant to the LCWD-SLVWD merger agreement
 - the ranking and integration of Assessment District projects into the District-wide CIP plan
- Lompico Assessment District Oversight Committee (LADOC):
 - the responsibilities of the committee established to oversee the Assessment District collections and project expenditures
 - District support of the oversight committee
- the communication environment, including:
 - District practices related to public access, transparency, financial oversight, civility and decorum, and
 - handling of controversial matters

Methodology and Approach

The Grand Jury:

- conducted a series of interviews with individuals affiliated with SLVWD as well as with District ratepayers and others with relevant knowledge
- reviewed internal SLVWD documents and communications among SLVWD Board and staff, as well as SLVWD communications with the public
- reviewed agendas, minutes, meeting notes, and where available, videos and audios of the meetings of the SLVWD Board of Directors and its five committees
- attended meetings of the SLVWD Board and its committees
- reviewed documents and other materials related to the merger of LCWD and SLVWD
- reviewed SLVWD policy and procedure manuals, as well as resolutions and proposals concerning changes to these documents
- reviewed audited financial statements, forecasts, interim financial reports, bill lists, studies (e.g. water rates), and similar financial materials
- reviewed strategic plans, capital improvement project plans, requests for proposals (RFPs), engineering reports, [Gantt charts](#), and similar technical materials
- conducted online research about SLVWD, LCWD, and other local water districts, as well as research about assessment districts and oversight committees
- reviewed applicable California codes and regulations

Investigation

Assessment District 2016-1

In its investigation of the Assessment District (AD), the Grand Jury found notable differences in understanding among District representatives regarding the construction strategy for the AD's projects, including District plans in the event of project delays, cost differences, or possible changes in projects undertaken.

While the District recognizes that AD funds may be used only for the benefit of Lompico, understandings differ among decision makers on what flexibility exists under the AD as written. Varying interpretations of the Assessment District terms have, in several cases, led to conflicting assertions made to the Grand Jury or to the public, about:

- the process for changing or removing projects from the Engineer's Report list^[36]
- the possibility of reducing Assessment District collections in later years^[37]
- ending the Assessment District early^{[38] [39] [40]}
- whether the AD is collecting interest on a future loan^[41]
- whether obtaining a loan against the AD is required^[42]
- using the \$183,000 collected for loan interest for other AD expenses^[43]
- returning unused funds to the ratepayers^{[44] [45]}
- postponing the completion of Assessment District capital projects beyond ten years^[46]

The Grand Jury has found that, nearly two years after the merger, District representatives still communicate differing views of the AD and its projects. The varying interpretations have caused public concern, and warrant serious and sustained discussion.

Capital Improvement Program (CIP)

The District-wide Capital Improvement Program introduced in November 2017 has presented another communication challenge. The District used a priority rating system to rank each capital project, which resulted in a timetable for the execution of each project on the list. The CIP assumes, however, that there are no differences between Lompico and non-Lompico projects except for the funding source; that is, that the projects for which Lompico ratepayers pay an extra assessment have no special status. In contrast, Lompico ratepayers contend that they gave their vote to accept the Assessment District in exchange for the District's promise to complete the specific projects listed in the Engineer's Report in an expeditious manner.^[47]

The November 2017 Capital Improvement Program still meets expectations to do all AD projects and to do them within 10 years of the merger, but it also incorporates delays of five months to three years for several AD projects. (See Table A below.) The substantial increase in water rates, passed in September 2017, has allowed several pre-merger capital projects to go forward immediately. Now those projects and the AD projects must vie for the time and attention of the small professional staff who will manage the District strategy for permitting, planning, construction, and financing of multiple projects.

The following table, Table A, shows the original and changed estimated start dates for all of the Assessment District projects listed in the Engineer's Report.

Table A: Scheduled Start Dates for AD Projects in 2017 District Gantt Charts

Assessment District Projects ^[48]	Cost (\$)	Project Timeline (Gantt) 2/01/17 ^[49]	Project Timeline (Gantt-CIP) 11/16/17 ^[50]	Approximate Months early / (delayed)
Service Line and Meter Replacements	862,500			
Meters & Private PRVs		7/1/16	7/1/16	0
Laterals		4/3/17	4/3/17	0
Tank Replacement	682,500			
Lewis		1/18/17	11/13/17	(10)
Madrone		7/20/20	12/7/20	(5)
Kaski		7/10/23	6/19/23	1
PRV Replacement	358,000	4/3/17	1/1/18	(8)
Refurbish Mill Creek WTP	105,000	7/19/21	7/15/24	(36)
Distribution System Interconnection	301,000	7/17/17	8/6/18	(13)
SCADA System	441,000*	7/22/19	7/22/19	0

*Includes \$19,540 for a temporary SCADA, not addressed in the Engineer's Report, installed in 2016 ^[51]

Lompico Assessment District Oversight Committee (LADOC)

The parties to the merger of LCWD and SLVWD agreed to keep the original wording of the merger agreement, Resolution 953-A, to avoid renegotiations that would have delayed the merger.^[52] ^[53] Instead, the stakeholders relied on one another to honor the intent of the merger agreement, even if the words did not fully match the actual elements of the merger.^[54] ^[55]

A condition of the merger, Section 7(B) of Resolution 953-A, required the formation of a “bond oversight committee.”^[56] A bond oversight committee has clearly recognized duties and responsibilities. The California Taskforce on Bond Accountability identifies guidelines for local agencies to follow^[57] regarding the establishment and maintenance of “internal control systems to account for and report on the expenditure of funds.”^[58]

By requiring the formation of a bond oversight committee, the merger agreement, in effect, required a formal control system to ensure fiduciary care of the funds collected. The parties agreed that the Assessment District was a “similar revenue instrument” to a bond. The Grand Jury found no evidence to suggest that the parties agreed to a lower standard of oversight and fiduciary care for the Assessment District than the accepted standards for oversight of the proceeds of a bond issue.

Guidelines, charters, and bylaws from a variety of organizations addressing both bonds^{[59] [60] [61]} and assessment districts^{[62] [63]} show oversight responsibilities and practices that reflect the same concerns for the fiduciary care of funds. The state Taskforce on Bond Accountability describes several responsibilities for bond oversight, including creating a transparent control environment; assessing, monitoring and mitigating risk; and maintaining internal controls to ensure that the agency is “properly receiving, managing, and disbursing bond funds.”^[64]

Creating the control environment is key to all of the oversight responsibilities. The control environment prescribes seating qualified people, providing them with appropriate policies and procedures to direct their efforts, and granting them the authority they need to perform the oversight role.

Experts on oversight committees advise that members of these committees receive training, along with others in their agency who will play a role in the administration of the funds.^{[65] [66]} LADOC members have not received formal training in assessment districts, or in other key areas, such as special district governance and meeting management.^[67] For the first 14 months of its existence, the committee also did not receive support from senior financial staff, who might have provided valuable guidance in the absence of relevant formal training.^[68]

The District policy manual describes LADOC’s responsibilities in one sentence, without supporting details. In contrast, expert groups provide detailed guidelines for oversight efforts.^[69]

Oversight Committee Duties and Support ^{[70] [71] [72] [73] [74]}

At minimum, adequate guidance and support for LADOC would include:

- Comprehensive orientation prior to beginning work
- Members handbook of key documents, including items such as a LADOC charter (description of duties), the Engineer’s Report, relevant resolutions,^{[75] [76] [77] [78]} relevant District policies and procedures, project descriptions, budgets and schedules, financial reports, minutes of prior meetings, guides to Brown Act and parliamentary procedures
- Regular meeting schedule, at least quarterly

Expected duties of the oversight committee would include:

- Tracking expenditures of assessment proceeds back to the capital improvement plan
- Actively reviewing and reporting on the proper expenditure of assessment money for the Lompico construction and replacement projects listed in the Engineer’s Report
- Maintaining a committee webpage with (1) detailed information about the progress of each project, (2) committee minutes, and (3) materials it has received
- Preparing and publishing an annual report for ratepayers

Expected duties of the District would include:

- Providing timely, comprehensive data to the oversight committee, including financial reports that display original budget, current budget, actual expenditures, budget balance, and approved commitments to projects to date across all fiscal years
- Providing technical and administrative assistance

As listed above, one of the expected duties of an oversight committee is the production of an annual report. LADOC did not produce such a report, nor did the Board request that LADOC produce one.

In April 2017 the Board received a staff memo indicating that it would be “appropriate for the full Board to periodically review progress” of LADOC and to “provide guidance regarding committee functions, goals and objectives.”^[79] Other communications indicated that senior staff declined to attend LADOC meetings beginning in April 2017.^[80] LADOC meeting notes and internal emails from April 2017, and subsequent Grand Jury interviews, confirm that LADOC sought more support from the Board and staff, but the District did not have the resolve to provide effective support.^[81] ^[82] ^[83] The Grand Jury also determined that opinions differ within the District concerning the utility of LADOC and its appropriate responsibilities as a standing committee.^[84]

In October 2017, the Board considered a staff memo proposing to restrict LADOC meetings and responsibilities further -- that is, to a once-a-year, after-the-fact review of AD project expenditures.^[85] While the Board did not accept the proposal, the ensuing debate made clear that the District has not granted LADOC the authority to perform the oversight role that Resolution 953-A required. The debate also illustrated the District’s lack of recognition that it has an obligation to support a fully functioning oversight committee.^[86]

In sum, the Grand Jury found that the lack of consensus about the role of LADOC, combined with insufficient training and lack of effective support, prevented LADOC from fulfilling its responsibilities in its first year of existence.

Public Meetings and Other Communications

Meeting practices are key communication elements. Policies and procedures that promote public understanding and participation in Board and committee meetings create a trust environment. Policies and procedures that tend to restrict public understanding and participation risk public complaints and a breakdown in civility and decorum in times of controversy.

The Grand Jury looked at meeting and communication practices of nearby water districts and compared them to SLVWD’s practices in 2016 and 2017. It found that in 2016, the District excelled in practices such as publishing comprehensive minutes and arranging for Community TV filming of regular Board meetings. Unfortunately, in 2017, both the written and electronic recording of District meetings took a step backwards.

Recording Board Proceedings – Videos and Published Minutes

In 2016 the District held 24 Board of Directors meetings – 21 regular Board meetings and four special Board meetings with limited agendas. Of those 24 meetings, Community Television of Santa Cruz County (CTV) recorded 19. In contrast, in 2017 the District held 30 Board of Directors meetings – 10 regular Board meetings and 20 special Board meetings. CTV recorded just 13 of the 30 Board meetings, mostly the regular Board meetings.

As Table B shows, CTV recorded only three of the 20 special Board meetings in 2017. Two of the unrecorded special meetings had multi-item agendas indistinguishable from regular meeting agendas. The relative lack of CTV coverage of special meetings reduced access to ratepayers who could not attend those meetings.

Table B: Regular and Special Board of Directors Meetings, 2016 and 2017

	2016	2017
Regular Board of Directors Meetings	21	10
-- Minutes Posted on SLVWD website	21	10
-- CTV Videos Posted on SLVWD website	18	9
-- CTV Videos Available at CTV	18	10
Special Board of Directors Meetings	4	20
-- Limited Agenda	4	15
-- Full (multi-item) Agenda	0	5
-- Minutes Posted on SLVWD website	3	19
-- CTV Videos Posted on SLVWD website	0	2
-- CTV Videos Available at CTV	1	3
Total Board of Directors Meetings	24	30
CTV Videos Available at CTV	19	13
% of Meeting Videos	79%	43%

In 2016 the District produced detailed minutes of the Board of Directors meetings. With the January 17, 2017 Board of Directors meeting, the District switched to “action minutes,” which do not provide any insight into the decisions because they omit the Board discussions and details of public input.

The 2017 elimination of detailed minutes, combined with the relative lack of CTV coverage of the numerous special meetings, reduced publicly available sources of information about District issues for all ratepayers not in attendance at the meetings.

Recording Board Proceedings -- Audio recordings

In late 2017, the District began recording audios of all Board and committee meetings. While the District currently has no written retention policy for audios, it informed the Grand Jury that it destroys all audios after 30 days pursuant to Government Code section 54953.5, subdivision (b). That section provides for a minimum retention period of 30 days; it does not *require* destruction of the media after 30 days or at any particular time in the future.^[87]

The Board of Directors meeting of November 9, 2017 illustrates the communication problems that the stated destruction practice creates.^[88] CTV did not record that meeting. The meeting included a discussion of proposed changes to rates and charges for the Bear Creek Wastewater Enterprise. In the absence of either a recording of the proceedings or detailed meeting minutes, ratepayers not in attendance are unable to access the important discussions that took place.

In the same November 9, 2017 meeting, an exchange among Board members arose over a procedural point addressed in the policy manual. The issue was whether an individual Board member could direct the District Manager to perform an administrative task, or if the task request required Board authorization. Two Board members asserted that Board authorization was not required; the remaining Board members did not challenge the assertion.^[89] The Grand Jury could verify this exchange on its copy of the audio. In the January 18, 2018 Board of Directors meeting, the procedural issue surfaced again. In this instance however, two other directors made the opposite assertion about policy; that is, that an individual Board member could *not* task the District Manager without Board authorization.^[90] Without a publicly-available recording of the November 9, 2017 meeting, interested parties cannot verify, or challenge with confidence, possible contradictory assertions or misstatements.

The District's stated destruction practice for audios implies that community members not only need to make a Public Records Request (PRR) for a recording, but need to make it within 30 days. Having to make a PRR creates an impediment to accessing the discussions and information from the meetings.

In February 2018, the Grand Jury observed that the District began a new project to embed the District's official audios in the pdf files of the action minutes which are posted on the SLVWD website. Unfortunately, the embedded recordings do not function consistently across browsers and devices. The current system leaves out the many users of unsupported devices. If the new system can be made more universally accessible, then it could make a positive contribution to public engagement.

Communication Environment

The approved policy manual for 2017 urges District representatives to "Establish and maintain an environment that encourages the open exchange of ideas and information between Board members, staff and the public that is positive, honest, concise, understandable, responsive and cost-efficient."^[91]

The November 2017 draft revised policy manual proposes similar language to encourage District representatives "(i) to use the Golden Rule (treating others as one would wish to be treated) as a guide in interactions with the media, the SLV community, District management and employees and other Board members and (ii) to speak candidly and forthrightly about the issues in front of the Board of Directors."^[92]

Both the current and proposed policy manuals clearly encourage civility. In routine meeting settings, District representatives do interact civilly with one another and with the public. In the past two years, however, the District has had to address a number of

difficult and controversial matters. Criticism from the public, at times harsh and personal, and disagreements among the District representatives, created lapses in decorum and civility in a number of public meetings as well as on social media.^{[93] [94] [95] [96]} These lapses have led, in turn, to public frustration, and the unwelcome prospect of continuing friction on issues of long-term concern to all parties.

Contentious matters that dominated 2017 and will be of ongoing concern include the following items:

Lompico Merger. After the June 2016 merger, the Lompico surcharge became a divisive issue for more than a year. Although the surcharge has ended, the administration of the Assessment District will be an ongoing activity for eight more years. The issues surrounding the administration and oversight of the Assessment District, especially the decisions necessary for successful completion of the required capital projects, are complex. While the District has the responsibility to create and execute the AD project strategy, transparency dictates regular and substantive communications about that strategy, including changes in timing, funding priorities, and regulatory hurdles.

Legal Fees. In each of the previous three fiscal years, legal fees were under \$100,000. In contrast, in the first four months of the 2017-2018 fiscal year, the District had already spent \$108,000 of its \$140,000 budget on legal fees, much of it related to a long-running set of legal actions involving a former Board member. In anticipation of additional litigation, the District raised its budget for legal fees by \$204,500, to a total of \$344,500.^{[97] [98]} Legal fees now represent a material portion of the District's annual budget for administrative professional services. The confidential nature of legal work means that the District has a continuing challenge to explain and justify expensive and controversial legal strategies to an inquiring public.^{[99] [100]}

Relationship with Citizen Groups and the Press. The local newspaper, along with other media outlets and citizen groups on social media, were critical of the comportment of District representatives at public meetings throughout 2017. The surcharge, the use of [glyphosate](#) in the watershed, and District spending on legal matters were especially controversial issues. While some critics may leave the scene, the District would be right to anticipate that the press, citizen groups, and new critics will continue to focus on difficult matters that have become contentious.^{[101] [102]}

Disagreements among District Representatives. The work of the District cannot proceed effectively without robust discussion. When District representatives fail to maintain civil interactions, however, the public may fear that its interests are at risk. Ratepayers expect discussions at public meetings to focus solely on outcomes, not on personal differences.^{[103] [104]}

Personal Expressions. District representatives have the right to put forth their personal views about SLVWD matters in public forums. The policy manual requires only that such expressions be clearly designated as an individual's opinions and not declarations of the District's official views. Regardless of whether that policy is followed, criticism of colleagues in social media may have a negative long-term impact on public perception of, and respect for, all representatives of the District.^[105]

Findings

- F1.** The lack of effective communication between the District and the community regarding the administration of the Assessment District has caused public concern regarding the timing and implementation of Assessment District projects.
- F2.** The District has not provided adequate authority, guidance, training, or support to the Lompico Assessment District Oversight Committee (LADOC) to ensure that the committee can fulfill its assessment district oversight responsibilities, thus reducing transparency and accountability to the public.
- F3.** Lack of effective District communication practices has reduced public access to the decision-making process, and contributed to acrimony and on-going relationship challenges with the community, causing stress on elected officials and staff, as well as frustration among ratepayers.

Recommendations

- R1.** LADOC should produce an annual report detailing the status of Assessment District revenues and expenditures.(F1, F2)
- R2.** The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in depth information to the public about the timing, funding, and execution of AD projects. (F1, F3)
- R3.** The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role. (F1, F2)
- R4.** The Board should ensure that LADOC receives adequate professional, technical, and administrative support from the District, as well as the authority to carry out its oversight responsibilities. (F2)
- R5.** The District should provide formal training for all LADOC citizen committee members in governance, meeting management, and the Brown Act. (F2)
- R6.** The District should provide formal training about assessment districts to LADOC members and all others involved in the administration of the Assessment District. (F2)
- R7.** The District should record all Board and committee meetings, and post the recordings online for public access. (F3)
- R8.** The District should provide formal training to all Board and committee members and senior staff on how to communicate with the public on contentious issues. (F1, F3)

Required Response

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
San Lorenzo Valley Water District Board of Directors	F1 – F3	R1 – R8	90 Days August 29, 2018

Abbreviations and Definitions

- **CIP:** Capital Improvement Program (also called Capital Improvement Plan)
- **CTV:** Community Television of Santa Cruz County
- **Gantt Chart:** “A Gantt chart is a visual view of tasks scheduled over time.”^[105]
- **Glyphosate:** “Glyphosate is an herbicide. It is applied to the leaves of plants to kill both broadleaf plants and grasses.”^[106]
- **LADOC:** Lompico Assessment District Oversight Committee
- **LAFCO:** Local Agency Formation Commission for Santa Cruz County
- **LCWD:** Lompico County Water District
- **Resolution 953-A:** LAFCO resolution (also called the “merger agreement”) approving SLVWD’s annexation of LCWD (also called the “merger”)
- **SCADA:** Supervisory control and data acquisition system
- **SLVWD:** San Lorenzo Valley Water District, also referred to in this report as “the District”

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Websites

Local Agency Formation Commission, Santa Cruz County:
<http://www.santacruzlafco.org/>

San Lorenzo Valley Water District: <http://www.slvwd.com/>



Santa Cruz County
Grand Jury

Grand Jury <grandjury@scgrandjury.org>

Completed Grand Jury Response - SLVWD

1 message

Holly Hossack <hhossack@slvwd.com>

Wed, Aug 22, 2018 at 9:48 AM

To: "grandjury@scgrandjury.org" <grandjury@scgrandjury.org>

Please find attached the completed Grand Jury Response from San Lorenzo Valley Water District. A hard copy will be mailed to the Honorable Judge John Gallagher.

Thank you,

Holly Hossack | Administrative Assistant/District Secretary

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

Office (831) 338-2153 | Direct (831) 430-4636 | Fax (831) 338-7986

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SLVWD BoD-Approved Response to 2017-18 Grand Jury Report.pdf

95K



**The 2017–2018 Santa Cruz County Civil Grand Jury
Requires that the
San Lorenzo Valley Water District Board of Directors
Respond to the Findings and Recommendations
Specified in the Report Titled
San Lorenzo Valley Water District
Encouraging the Flow of Information to the Public
by August 29, 2018**

When the response is complete, please

1. Email the completed Response Packet as a file attachment to grandjury@scgrandjury.org, and
2. Print and send a hard copy of the completed Response Packet to

The Honorable Judge John Gallagher
Santa Cruz Courthouse
701 Ocean St.
Santa Cruz, CA 95060

Instructions for Respondents

California law PC §933.05 (included [below](#)) requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing the responses.

Response Format

1. For the Findings included in this Response Packet, select one of the following responses and provide the required additional information:
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE** with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. **DISAGREE** with the Finding and provide an explanation of the reasons therefor.
2. For the Recommendations included in this Response Packet, select one of the following actions and provide the required additional information:
 - a. **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe or expected date for implementation, or
 - c. **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report, or
 - d. **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefor.

Validation

Date of governing body's response approval: **August 16, 2018**

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F1. The lack of effective communication between the District and the community regarding the administration of the Assessment District has caused public concern regarding the timing and implementation of Assessment District projects.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** – explain the disputed portion

☐ **DISAGREE** – explain why

Response explanation (required for a response other than **Agree**):

The San Lorenzo Valley Water District (District) and its Board of Directors (Board) appreciate the work of the Grand Jury and all of the diligence and time invested over the past term. We agree with the finding and believe “lack of effective communication” actually understates the nature of the broader Assessment District No. 16 (AD-16) concerns, which largely center on confusion about the mechanics of the assessment district and unaligned expectations. Much of the confusion relates to the unexpected direction the Lompico County Water District (Lompico) annexation took after the failure of the original attempt to approve a bond to finance it. We agree it is time to clear up the confusion and move forward with a clearer and broader consensus on the workings of AD-16 for the ratepayers in the assessment area.

Our plans to provide effective communications regarding AD-16 going forward are in our responses to R1 and R2. We have added a plan of action addressing the larger issue of AD-16 mechanics in our response to R6.

- F2.** The District has not provided adequate authority, guidance, training, or support to the Lompico Assessment District Oversight Committee (LADOC) to ensure that the committee can fulfill its assessment district oversight responsibilities, thus reducing transparency and accountability to the public.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** – explain the disputed portion

☐ **DISAGREE** – explain why

Response explanation (required for a response other than **Agree**):

We appreciate the work of the Grand Jury in highlighting the lack of a detailed Charter for LADOC and the need to provide additional guidance, training, and support to LADOC committee members. In light of the bond/assessment distinction and commonly held misconceptions about assessment districts generally and the specific function of this oversight committee, a one sentence charter for LADOC is clearly insufficient for communicating the responsibilities of LADOC.

A challenge faced by the District in providing more structure for LADOC is the limited availability of precedent for the specific function of this oversight committee. Most of the precedent that is available is for bond oversight, especially school bond oversight, which is governed by detailed requirements set forth in Proposition 39 and the Education Code. Though LADOC originally was conceived of as a bond oversight committee, it is not exactly the same as a bond oversight committee, although many of the same best practices can be adapted or applied.

Our plan and commitment to create a more detailed Charter for LADOC is in our response to R3.

- F3.** Lack of effective District communication practices has reduced public access to the decision-making process, and contributed to acrimony and on-going relationship challenges with the community, causing stress on elected officials and staff, as well as frustration among ratepayers.

☒ **AGREE**

☐ **PARTIALLY DISAGREE** – explain the disputed portion

☐ **DISAGREE** – explain why

Response explanation (required for a response other than **Agree**):

We appreciate the work of the Grand Jury and agree with this finding because it highlights an unusual level of acrimony and strained relationships that exist within the District. These issues present significant challenges for all members of the community, including ratepayers, elected officials and staff.

We recognize that a high level of public engagement is desirable in light of public interest and concern regarding the District's activities. Over the past couple of years the District has experimented with a number of ways to try to improve community relations and engagement. These include contracting with Community TV to record regular Board meetings and making these recordings available online. Also, the District switched to action minutes, consistent with best practices, in response to numerous complaints from members of the public resulting from the District's former reliance on detailed meeting minutes.

Not all of the District's efforts to improve communications have been successful. In fact, most efforts have met with mixed reactions. A key challenge is that procedural changes to provide more equal and fair access to all members of the community may be perceived as limiting the participation of others. For example, limiting the time for each speaker at public meetings to three minutes per oral communication period helps to ensure that everyone who wishes to speak gets an equal opportunity to do so. Also, time limitations help prevent meetings from running so long into the night that meaningful attendance becomes prohibitive for some. On the other hand, time limits mean that people who wish to provide more detailed comments or to engage in back and forth dialogue may not have the opportunity to fully engage. There are reasonably held views on both sides of this issue, just as with many other communication challenges. Because of these kinds of challenges, at times the District has vacillated in terms of how best to facilitate communications.

There is no one-size-fits-all solution for these kinds of tensions. The District remains open to new ideas and is willing to experiment and try new things. The ultimate goal shared by all members of the Board is to maximize public engagement in a manner that is workable, legal and fair.

Our plan and commitment to address these issues in a manner that is responsive to the Grand Jury report is in our response to R7 and R8.

Recommendations

R1. LADOC should produce an annual report detailing the status of Assessment District revenues and expenditures.(F1, F2)

☐ **HAS BEEN IMPLEMENTED** – summarize what has been done

☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe

☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

We are committed to developing a process and format for a LADOC annual report.

The revised Charter and/or new Bylaws for LADOC (see response to R3) will describe the timeframe and process for producing an annual report. The contents of the annual report should be defined jointly by the District and LADOC.

As soon as possible within the next 6 months, staff will help jump start the process of implementing this recommendation by generating a template to help facilitate the first annual report, giving consideration to the California League of Bond Oversight Committees (CaLBOC) best practices for preparation of an annual report regarding school bond oversight. Staff may consider other relevant guidance and samples available from other sources. It will be up to LADOC to develop and write the substantive content of the report. Based on a cursory review of samples, it looks like oversight committee annual reports often have less than 10 substantive pages, such that writing the report need not be an onerous task for LADOC members.

R2. The District should schedule annual public study sessions or workshops to review the LADOC annual report and discuss the administration of the Assessment District (AD), in order to provide in depth information to the public about the timing, funding, and execution of AD projects. (F1, F3)

☐ **HAS BEEN IMPLEMENTED** – summarize what has been done

☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe

☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

We are committed to scheduling annual workshop-style meetings to review the LADOC annual reports, which will include discussion of current information about the timing, funding, and execution of AD-16 projects.

Upon completion by LADOC of its annual report, the District will make the report available on the LADOC page of the District's website. Also, the District will schedule a joint meeting of the Board and LADOC for the purpose of having LADOC present its report. The format will include a public-workshop style discussion with Q&A.

We will go further than the Grand Jury's recommendation by creating high-level project summaries for each discrete AD-16 project. Our goal is to post these summaries on the LADOC web page within the next year. The format and initial content should be reviewed and approved by the Board. The summaries will serve an informational function only. They will not create any new or additional commitments on the part of the District. The summaries will be living documents to be updated periodically as circumstances change.

We will also look into creating a role for designated Board and/or staff members to serve as a liaison with LADOC and its chairperson. The purpose of this new role would be to help improve communications and the flow of information between LADOC and the rest of the District.

We believe it is important to note that comments and questions about the implementation of AD-16 projects, including priority, timeline, bidding and design considerations etc., are within the purview of the Engineering Committee and ultimately the Board. We encourage members of the public to bring these types of issues to the Engineering Committee rather than LADOC.

- R3.** The Board and LADOC should work in concert to create a charter for LADOC that describes in detail the committee's responsibilities and its authority to fulfill its oversight role. (F1, F2)

- ☐ **HAS BEEN IMPLEMENTED** – summarize what has been done
- ☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- ☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- ☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

We are committed to creating a revised Charter that describes in more detail LADOC's responsibilities and its authority to fulfill its oversight role.

As soon as possible within the next 6 months we will revise the LADOC Charter to replace its current Charter. A draft will be presented to LADOC for its review and comment and to the Board for approval. The revised Charter will be more specific than the current Charter, keeping in mind that a Charter is intended to be a broad statement of purpose and authority, and the core purpose of a citizens' oversight committee to advise the public as to whether the assessment district funds are being managed in accordance with law.

We will go further than the Grand Jury's recommendation by including information in the Charter about LADOC membership, meetings, procedures and functions if such information is not provided by other documents such as the Board Manual or new LADOC Bylaws.

- R4.** The Board should ensure that LADOC receives adequate professional, technical, and administrative support from the District, as well as the authority to carry out its oversight responsibilities. (F2)

☐ **HAS BEEN IMPLEMENTED** – summarize what has been done

☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe

☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Our plan and commitment is described under R3 to produce a revised Charter as soon as possible within the next 6 months that defines the authority of LADOC to carry out its oversight responsibilities.

We are committed to making adequate professional, technical and administrative support available to LADOC from the District. The bond/assessment distinction presents a challenge because many of the professional resources that exist for bond oversight do not translate perfectly to non-bond assessment oversight. We believe the District has professional expertise up to the task of locating appropriate resources, adapting existing resources, or creating new materials as necessary.

R5. The District should provide formal training for all LADOC citizen committee members in governance, meeting management, and the Brown Act. (F2)

☐ **HAS BEEN IMPLEMENTED** – summarize what has been done

☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe

☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)

☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

We are committed to improving the training regimen for Board members and creating one for public members of committees including LADOC.

As soon as possible within the next 6 months, we will make governance, meeting management, and Brown Act training available to all members of the Board and the District's public committee members. Within a year, we will evaluate and select a means of making such training available on a recurring or ongoing basis. For example, staff may consider creating tailored training materials for in-house use and reproduction versus hiring consultants and/or procuring online subscriptions, etc.

We will go further than the Grand Jury's recommendation by including government ethics training for public members of committees as part of the training regimen. Ethics training already is a required and made available for Board members.

- R6.** The District should provide formal training about assessment districts to LADOC members and all others involved in the administration of the Assessment District. (F2)

- ☐ **HAS BEEN IMPLEMENTED** – summarize what has been done
- ☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- ☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- ☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Our plan and commitment is described under R5 to make training on key topics available to all Board and public committee members, including LADOC members. For Board and LADOC members, we will have additional training about assessment districts.

The bond/assessment distinction presents a challenge because the formal training that exists for bond oversight does not translate perfectly for non-bond assessment district oversight. We believe the District has professional expertise up to the task of locating or adapting existing training, or creating new materials as necessary.

We will go further than the Grand Jury's recommendation by coming up with a mechanism for posing questions about, e.g., the implications of changes to AD-16 projects, and addressing them.

- R7.** The District should record all Board and committee meetings, and post the recordings online for public access. (F3)

- ☐ **HAS BEEN IMPLEMENTED** – summarize what has been done
- ☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- ☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- ☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

We recognize that interested members of the public cannot always attend Board and committee meetings. Accordingly, we are committed to going above and beyond open meeting requirements by recording all Board and committee meetings and posting the recordings online to maximize public access.

As indicated in the Grand Jury report, the District has been experimenting with a technology solution that embeds links to audio recordings of public meetings into the action minutes. This is an elegant solution that couples the clarity of action minutes with detailed information about what was said during the proceedings. Notwithstanding some technical difficulties encountered by the District in rolling out this new technology, it is very close to being implemented. We believe that this can be done within 6 months to a year.

- R8.** The District should provide formal training to all Board and committee members and senior staff on how to communicate with the public on contentious issues.
(F1, F3)

- ☐ **HAS BEEN IMPLEMENTED** – summarize what has been done
☒ **HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
☐ **REQUIRES FURTHER ANALYSIS** – explain scope and timeframe
(not to exceed six months)
☐ **WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Our plan and commitment is described under R5 and R6 to make training on key topics available to all Board and public committee members. For all Board and committee members and senior staff, we will add training on how to communicate with the public on contentious issues.

A challenge is that the District has previously expressed interest in this type of training but did not locate appropriate resources. With additional effort, we believe that something can be located or adapted for this purpose. Ideally the training would be provided by someone familiar with the local community.



TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, District Counsel

DATE: May 29, 2019

RE: Revisiting 2018 Biennial Review of Conflict of Interest Code

RECOMMENDATION

Receive, review and discuss the proposed revisions to the San Lorenzo Valley Water District's Conflict of Interest Code. By motion of the Board, accept the proposed Conflict of Interest Code as written, or with specific edits, and authorize submission of the Conflict of Interest Code to Santa Cruz County.

Alternative 1, Proposed Motion:

Accept the proposed Conflict of Interest Code as written, and authorize staff to submit it to the County.

Alternative 2, Proposed Motion:

Adopt the proposed Conflict of Interest Code with the following edits [**specify the edits**], and authorize staff to submit it to the County.

Alternative 3 (not recommended):

If the Board is not ready to accept the Conflict of Interest Code, the Board may defer action on this matter or refer it to committee.

BACKGROUND

The District conducted its biennial review of the Conflict of Interest Code last year and submitted proposed revisions to the County in December 2018. The District's review biennial review included the following: (1) ensuring the Code's structure conforms to statute and FPPC rules and guidelines; (2) comparing the positions identified in the existing Code against the District's current organizational structure; and (3) reviewing the disclosure categories.

The proposed revisions eliminate old District staff positions that no longer exist and update the titles of existing positions. Additionally, the revisions attempt to clarify the District Secretary's limited role in maintaining Form 700s light of the County's implementation of an online filing system, in a manner consistent with Government Code section 81008.

Following the District's submission of proposed revisions to the County in December 2018, members of the public continued to express concerns to the District and the County about the potential applicability of Government Code section 87200 to certain District positions. As a result, the County has not yet approved the District's 2018 proposed revisions. County officials indicated they would consider any further revisions the District may submit.

The County Board of Supervisors serves as the "code reviewing body" and may either approve the Code as submitted by the District or request further revisions.

FISCAL IMACT:

N/A

STRATEGIC PLAN:

N/A

ATTACHMENTS:

1. Proposed Revisions to Conflict of Interest Code (Redline)
2. Proposed Revisions to Conflict of Interest Code (Clean Copy)

SAN LORENZO VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

SECTION 1. INCORPORATION OF STATE REGULATIONS BY REFERENCE

The Political Reform Act of 1974 (California Government Code Section 81000, *et seq.*), hereinafter referred to as "Act," requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission, hereinafter referred to as "FPPC," has adopted regulations which contain the terms of a standard conflict of interest code. Therefore, the terms of Title 2, California Administrative Code, Section 18730, hereinafter referred to as "Regulation," and any amendments thereto duly adopted by the FPPC, are hereby incorporated by reference and made a part of the San Lorenzo Valley Water District Conflict of Interest Code.

Said Regulation, along with the attached Appendices: Exhibit 1 designating officials and employees of the San Lorenzo Valley Water District subject to reporting requirements, and Exhibit 2 establishing disclosure categories, shall constitute the San Lorenzo Valley Water District Conflict of Interest Code.

SECTION 2. DESIGNATED POSITIONS WITH REPORTING REQUIREMENTS

Elected officials, members of board and/or commissions appointed by the Board of Directors, District Employees and consultants holding designated positions as stated in Exhibit "1," attached hereto and made a part hereof, shall be considered designated positions subject to reporting requirements under the San Lorenzo Valley Water District Conflict of Interest Code. Persons holding designated positions shall disclose ~~are~~ interests as stated in Exhibit "1" and Exhibit "2," attached hereto and made a part hereof, listing individual disclosure categories under the San Lorenzo Valley Water District Conflict of Interest Code.

SECTION 3. FILING OF STATEMENTS

Persons holding designated positions shall file a Statement of Economic Interests with the San Lorenzo Valley Water District on FPPC forms, in conformance with the individual disclosure categories and State of California law and guidelines, ~~when required by the District Secretary.~~ The District Secretary shall coordinate with ~~make and retain a copy of all statements filed and forward the original of such statements to the Santa Cruz County Clerk of the Board of Supervisors to comply with the County's online filing system.~~ ~~Statements for all public officials and designated employees will be retained by the District.~~ Statements of Economic Interests are public records subject to Government Code Section 81008, available for public inspection not later than the second business day following the day on which the request for inspection was received.

SECTION 4. EFFECTIVE DATE OF CONFLICT OF INTEREST CODE

The effective date of the Conflict of Interest Code shall be the date the Code is approved by the code reviewing body. Notwithstanding the effective date, the adoption of this Conflict of Interest Code shall not be considered an original adoption as to those designated officials or employees who have already been filing annual Statements of Economic Interest; those persons shall not be required to file again this year. Newly designated officials or employees shall file statements within 30 days of the effective date of this Code, and all designated officials and employees shall continue to file statements upon assuming or leaving office.

EXHIBIT "1"

SAN LORENZO VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

LIST OF DESIGNATED POSITIONS

GENERAL PROVISIONS

Persons occupying the following specifically enumerated designated positions are subject to reporting requirements under the San Lorenzo Valley Water District Conflict of Interest Code and shall disclose interests as set forth in Exhibit "2" listing individual reporting requirements:

<u>LIST OF DESIGNATED POSITIONS</u>	<u>DISCLOSURE CATEGORIES</u>
MEMBERS OF THE BOARD OF DIRECTORS	1, 2 *
MEMBERS OF THE EDUCATION ADVISORY COMMISSION	1, 2
COMMUNICATIONS SPECIALIST	1, 2
DISTRICT COUNSEL	1, 2
DISTRICT MANAGER	1, 2 *
DISTRICT SECRETARY/ADMINISTRATIVE ASSISTANT	1, 2
ENVIRONMENTAL <u>PROGRAMS MANAGER</u> ANALYST	
_____1, 2	
<u>DIRECTOR OF FINANCE AND BUSINESS SERVICES</u> MANAGER	
_____1, 2	
DIRECTOR OF OPERATIONS	1, 2
CONSULTANTS	3

* The manner of reporting reportable items shall be as provided by Government Code section 87200.

EXHIBIT "2"

SAN LORENZO VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

DISCLOSURE CATEGORIES

GENERAL PROVISIONS

Persons holding designated positions subject to reporting requirements shall conform with the following disclosure categories:

CATEGORY 1

Persons in this category shall disclose all interests in real property within the jurisdiction of the San Lorenzo Valley Water District. Real property shall be deemed to be within the jurisdiction of the San Lorenzo Valley Water District if the property or any part of it is located within or not more than two miles outside the boundaries of the San Lorenzo Valley Water District or within two miles of any land owned or used by the San Lorenzo Valley Water District.

CATEGORY 2

Persons in this category shall disclose:

- (a) All investments, business positions, and income (including gifts, loans and travel payments) from:
 - (i) all sources subject to the regulatory, permit or licensing authority of the District; and
 - (ii) all sources that provide, plan to provide, or have provided in the last two years, facilities, goods, software, hardware, or related technology, equipment, vehicles, machinery, or services, including training or consultant services, to the District; and
 - (iii) all sources that are engaged in any real estate activity including, but not limited to, real estate appraisal, development, construction, planning/architectural design, engineering, sales, brokerage, leasing, lending, insurance, rights of way, and/or studies; and/or property or facilities management/maintenance/custodial and utility services, used by the District or provides capital for the purchase of property used or sold by the District.

CATEGORY 3

Consultants shall disclose pursuant to the broadest disclosure category in the Conflict of Interest Code subject to the following limitation: The District Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements of the broadest but instead must comply with more detailed disclosure requirements specific to that consultant. Such a determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. All such determinations are public records and shall be retained for public inspection along with this Conflict of Interest Code.

SAN LORENZO VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

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DISTRICT COUNSEL	1, 2
DISTRICT MANAGER	1, 2 *
DISTRICT SECRETARY/ADMINISTRATIVE ASSISTANT	1, 2
ENVIRONMENTAL PROGRAMS MANAGER	1, 2
DIRECTOR OF FINANCE AND BUSINESS SERVICES	1, 2
DIRECTOR OF OPERATIONS	1, 2
CONSULTANTS	3

* The manner of reporting reportable items shall be as provided by Government Code section 87200.

EXHIBIT "2"

SAN LORENZO VALLEY WATER DISTRICT CONFLICT OF INTEREST CODE

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Persons in this category shall disclose:

- (a) All investments, business positions, and income (including gifts, loans and travel payments) from:
 - (i) all sources subject to the regulatory, permit or licensing authority of the District; and
 - (ii) all sources that provide, plan to provide, or have provided in the last two years, facilities, goods, software, hardware, or related technology, equipment, vehicles, machinery, or services, including training or consultant services, to the District; and
 - (iii) all sources that are engaged in any real estate activity including, but not limited to, real estate appraisal, development, construction, planning/architectural design, engineering, sales, brokerage, leasing, lending, insurance, rights of way, and/or studies; and/or property or facilities management/maintenance/custodial and utility services, used by the District or provides capital for the purchase of property used or sold by the District.

CATEGORY 3

Consultants shall disclose pursuant to the broadest disclosure category in the Conflict of Interest Code subject to the following limitation: The District Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements of the broadest but instead must comply with more detailed disclosure requirements specific to that consultant. Such a determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. All such determinations are public records and shall be retained for public inspection along with this Conflict of Interest Code.

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT Board Member Committee Assignments
DATE May 29, 2019

Recommendation:

It is recommended that the Board of Directors review Board Member Committee assignments and assign Board Members to Committees as necessary.

Background:

The San Lorenzo Valley Water District Board of Directors Policy Manual provides for four standing committees and SMGWA, with Board members:

Administrative - Fultz, Henry

Budget & Finance - Fultz, Henry

Engineering - Vacant, Swan

Environmental - Vacant, Fultz

SMGWA - Henry, Swan, alternate: Vacant

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

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

It is recommended that the Board Chair review Board Committee assignments and recommend changes subject to Board of Directors approval.

M E M O

TO: Board of Directors
FROM: District Manager
SUBJECT: RESOLUTION OF APPRECIATION FOR MARGARET BRUCE
DATE: May 29, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and approve the attached resolution of appreciation for Margaret Bruce, Director.

BACKGROUND:

Margaret Bruce served on the Board of Directors for the San Lorenzo Valley Water District for nearly 7 years beginning in 2012. During Ms. Bruce's tenure on the Board she served 2 terms as president, was instrumental in the Capital Improvement Program as well as the Rate Restructuring process and stewardship of the watershed.

It is recommended that the Board of Directors review this memo and approve the attached resolution of appreciation for Margaret Bruce, Director.

STRATEGIC PLAN:

Element 9.0 – Administrative Management

FISCAL IMPACT:

None

**SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 32 (18-19)**

SUBJECT: RESOLUTION OF APPRECIATION FOR DIRECTOR BRUCE

WHEREAS, on July 5, 2012 Margaret Bruce was appointed to the Board of Directors of the San Lorenzo Valley Water District; and

WHEREAS, Director Bruce faithfully and continuously served in her capacity on the Board of Directors for a period of 7 years, in 2014 and 2015 as the president of the Board; and

WHEREAS, Director Bruce began working with the District as a member of the Education Program Advisory Commission; and

WHEREAS, Director Bruce was dedicated to the proper management and protection of the District's Watershed Property and the environmental health of the entire San Lorenzo River Watershed; and

WHEREAS, Director Bruce was instrumental in the District earning a Transparency Certificate of Excellence and improving outreach to the public; and

WHEREAS, Director Bruce was instrumental in setting the District up for a financially viable future to fund capital improvements and build reserves; and

WHEREAS, Director Bruce was involved in the Santa Margarita Groundwater Agency and its formation, serving as the District's alternate representative;

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the San Lorenzo Valley Water District that Margaret V. Bruce be commended and thanked for her years of dedicated service, that she has the respect of all who have worked with her and that her efforts 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 29th day of May, 2019 by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

Holly B. Hossack, District Secretary
San Lorenzo Valley Water District

M E M O

TO: Board of Directors
FROM: District Manager
PREPARED BY: Director of Finance
SUBJECT: FY1920 Draft Budget
DATE: May 29, 2019

BACKGROUND:

From the last Board meeting on 4/18/2019, staff was directed to research the following:

- Find further operating expense reductions
- Attempt to show what a flat operating expense budget would look like, compared to FY1819 Budget
- Attempt to show what a 5% reduced operating expense budget would look like, compared to FY1819 Budget
- Find other revenue opportunities
- Forecast without rate increases

Below shows the original proposed operating expense budget, the revised operating expense budget, and the amounts that would be needed to achieve the operating expense reductions mentioned above:

Proposed FY1920 Budget	\$	8,301,639	
FY1819 Budget	\$	7,961,656	
Change Over Prior Year Budget	\$	339,983	4.3%
To Achieve Flat Budget	\$	(339,983)	
To Achieve 5% Reduced Budget	\$	(738,066)	
Revised FY1920 Budget	\$	8,099,077	
FY1819 Budget	\$	7,961,656	
Change Over Prior Year Budget	\$	137,421	1.7%
To Achieve Flat Budget	\$	(137,421)	
To Achieve 5% Reduced Budget	\$	(535,504)	

Staff did a hard review of the budget and reduced the operating expenses by \$202,562 (reflected above), with \$177,562 in actual reductions and \$25,000 moved to capital expenditure. *Details of the reductions are further in the document.*

Staff has identified an additional ~\$75-100K in operating expenses that could be cut, but feel it has such an impact that it should be discussed with the Board first. This would bring operating expenses to be relatively flat to the prior year budget.

With regards to a 5% reduction, staff does not see that as a viable option:

- Like most water utility operations, a high proportion of costs are fixed (approximately 80% of expenses) regardless of the amount of water consumed by customers.
- Staff has expressed concern over displaying a 5% reduction. It will lead to compromising our abilities to maintain our infrastructure, and mission to provide our customers and future generations with reliable, safe and high quality water.
- The cuts that are being requested would be so severe, that it would change the current direction of the District.
 - For example, the most recent increases were for the Engineering Department. If the District were to roll back that plan (layoff the current Engineering Manager and not hire the Engineering Associate), it would result in approximately \$300,000 in “savings” and even that would not achieve the 5% reduction.
- The trajectory of the District has been based on the guidance of the Board, incorporated through the Strategic Plan. The desire for a 5% reduction would require layoffs, or folding up departments as a whole, along with other expense reductions. This is a Board level discussion.

With regard to other revenue opportunities, almost 90% of District revenue is generated from customer water fees. A public utility would not be able to easily branch out into another “sector” to generate new, meaningful, revenue sources. However, there are some policies staff have been wanting the District to review that may generate additional revenues. We will briefly touch on these later, but in general I do not see any changes being made to the current budget for revenue.

Getting the budget approved does not mean the end of the process. The budget its components are a continual discussion and can always have a formal revision later in the year.

The Strategic Plan revision, or other larger discussions, have been hindering the budget process. The budget is for the upcoming fiscal year and can have a revision done later in the year if major changes occur. In an ideal situation a revised Strategic Plan would have been in place to help guide the budget. I appreciate the Board and committee doing a full review of the budget, it continues to grow and improve, some of these larger long term changes just may not be as realistic to get all done within this budget for where it stands now.

There is a 5 year forecast with and without future rate increases. Staff does not see stopping the scheduled rate increases as a viable option. If the Board wishes to propose stopping the increases, we should discuss further.

RECOMMENDATIONS:

The Board review the budget package presented. From the last presentation, revenues did not change much, expenses went down the \$200K mentioned above and the capital projects are now included. This packet is starting to have the documents in the actual budget presentation package.

There are key items identified staff is recommending the Board get a majority decision on.

The further support will lay out some of the main discussion items staff would like Board input on, specific to this budget. Staff feels conflicted with making some of these cuts without knowing the majority of the Boards opinions.

The below outlines the high level view of the main budget segments. The overall results are an increase of \$358K in reserves. These could be increased, based on some of the budget decisions made later in this discussion. This is a continued positive sign for the District's financial vitality. The increased capital projects are being supported by the increased revenues and operating expenses having low increases. However, the District is still years out from containing deferred capital projects and building up adequate reserve balances.

Statement of Revenues, Expenses and Changes in Reserves

DISTRICT FUNDS	FY1920 Proposed Budget
<i>Beginning Reserve Balance</i>	\$ 2,500,000
Revenues	
Operating Revenues	\$ 10,806,450
Non-operating Revenues	926,500
Total Revenues	\$ 11,732,950
Expenses	
Operating Expenses	\$ 8,099,077
Non-operating Expenses	1,283,188
Overhead Absorption ⁽¹⁾	(175,000)
Total Expenses	\$ 9,207,265
Capital Improvement Expenses & Funding	
Capital Projects	\$ 7,788,770
Debt Funding	(5,620,770)
Capital Project Expenses	\$ 2,168,000
Increase (Decrease)	\$ 357,685
Ending Reserve Balance	\$ 2,857,685

Reserve Balances	
Operating Reserve	\$ 2,507,685
Capital Reserve	-
Restricted Reserve - Debt	291,000
Restricted Reserve - Oly AD	59,000
	<u>\$ 2,857,685</u>

LOMPICO ASSESSMENT DISTRICT	FY1920 Proposed Budget
<i>Beginning Reserve Balance</i>	\$ 400,000
Revenues	
Operating Revenues	
Non-operating Revenues	295,000
Total Revenues	\$ 295,000
Expenses	
Operating Expenses	\$ -
Non-operating Expenses	-
Overhead Absorption ⁽¹⁾	
Total Expenses	\$ -
Capital Improvement Expenses & Funding	
Capital Projects	\$ 802,125
Debt Funding	(107,125)
Capital Project Expenses	\$ 695,000
Increase (Decrease)	\$ (400,000)
Ending Reserve Balance	\$ -

Reserve Balances	
Restricted - Assessments	\$ -
	<u>\$ -</u>

(1) Overhead absorption is typically employee labor time that is capitalized for work performed on capital projects.

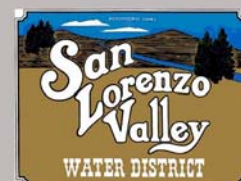
BUDGET

FY 2019/20

SAN LORENZO VALLEY WATER DISTRICT



BOULDER CREEK, CA



MISSION & CONTACT INFORMATION

OUR MISSION

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

BOARD OF DIRECTORS

Name	Title	Elected/Appointed	Term Expires
Lois Henry	President	Elected	December 2022
Bob Fultz	Director	Elected	December 2022
Steve Swan	Director	Elected	December 2022
Bill Smallman	Director	Elected	December 2020
Lew Farris	Director	Appointed	December 2020

DISTRICT CONTACT INFORMATION

District Manager : Rick Rogers

Address: 13060 Highway 9 Boulder Creek, California 95006

Phone: (831) 338-2153

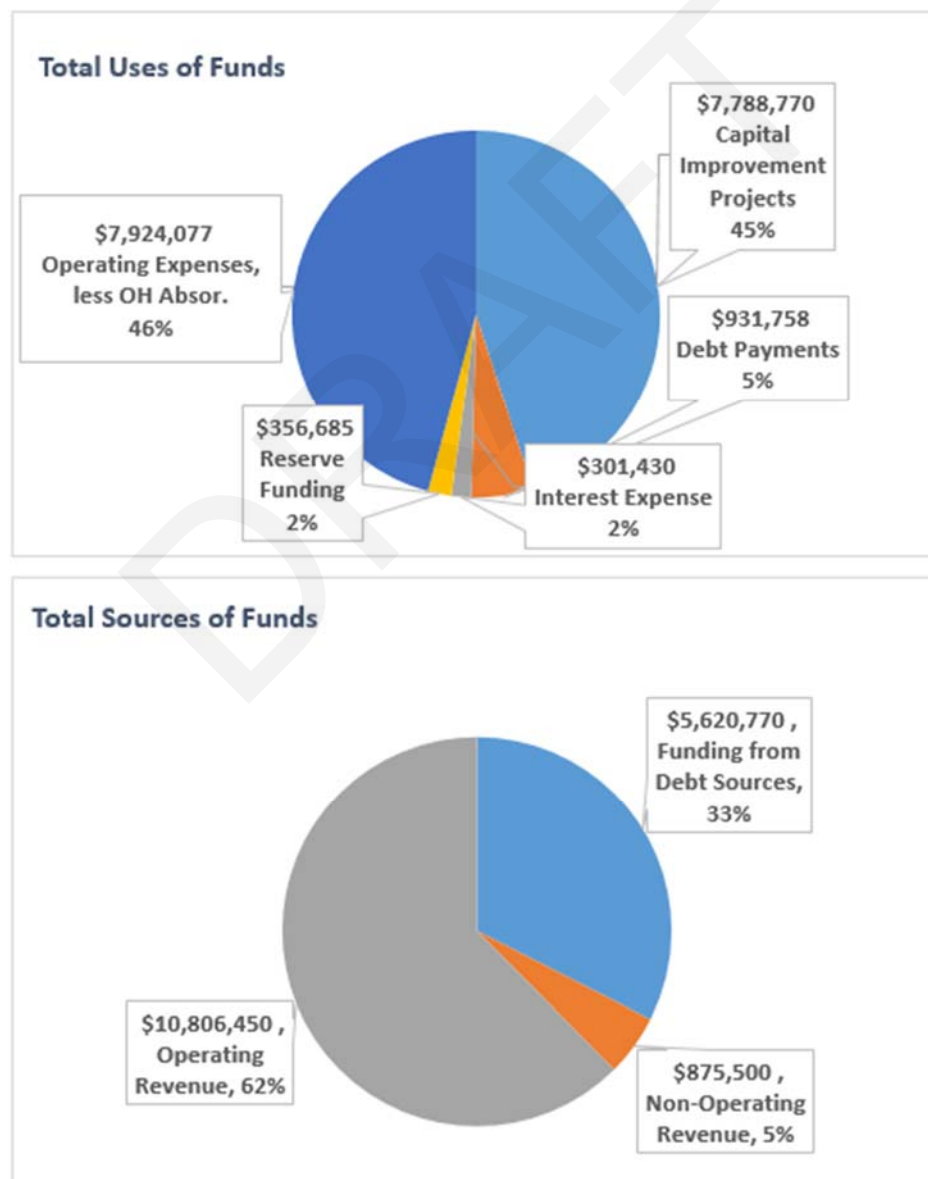
Website: www.slvwd.com

Office Hours: 8AM – 5PM Monday – Friday, closed for lunch 12 - 1

OVERALL BUDGET SUMMARY

OVERALL SUMMARY

The chart below illustrates the breakdown of recommended sources (revenue) and uses (expenditures) of funds for the Fiscal Year 2019-20 budget. The overall District budget request is \$17.3M. This includes uses of operating expenses, non-operating expenses such as interest expense, debt payments and capital improvement projects. Sources of funds come from operating revenue, non-operating revenue such as property taxes, assessments, debt or non-debt capital project funding and withdraws from reserves. Additional details on these numbers are listed below and in the Additional Support & Information section of this document.



REVENUE SUMMARY

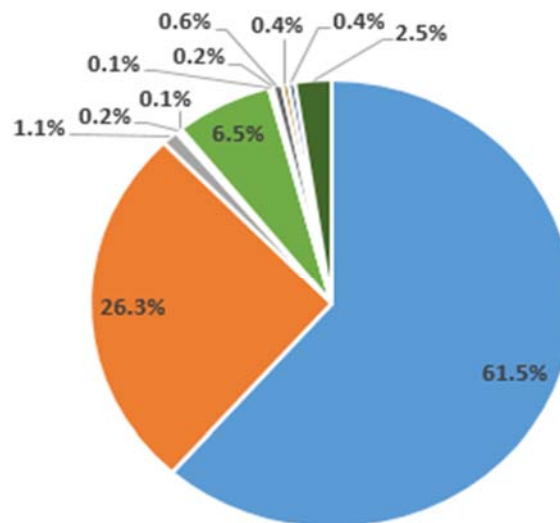
Overall District revenue is budgeted to be \$12M for FY1920. Revenues have increased \$784K or 8% compared to the prior year budget. Consumption is anticipated to remain relatively flat and the scheduled rate increases are factored in.

Revenue Budget

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Est. Actuals	Variance to FY1819 Budget	Variance to FY1819 Est. Actuals		
Operating Revenue							
Water Basic	\$ 3,163,000	\$ 2,986,000	\$ 2,984,000	\$ 177,000	6%	\$ 179,000	6%
Water Usage	7,395,500	6,846,000	7,024,000	549,500	8%	371,500	5%
Sewer Fund	132,170	100,000	110,140	32,170	32%	22,030	20%
Sale of Meters	30,000	30,000	30,000	-	0%	-	0%
Operating Grants	10,000	-	-	10,000	0%	10,000	0%
Miscellaneous Fees & Charges	75,780	60,000	78,000	15,780	26%	(2,220)	-3%
Total Operating Revenue	\$ 10,806,450	\$ 10,022,000	\$ 10,226,140	\$ 784,450	8%	\$ 580,310	6%
Non-operating Revenue							
Property Taxes	\$ 783,750	\$ 738,400	\$ 750,000	\$ 45,350	6%	\$ 33,750	5%
Assessment Rev. - Oly Mutual	51,000	51,000	51,000	-	0%	-	0%
Assessment Rev. - Lompico	295,000	295,000	300,000	-	0%	(5,000)	-2%
Mobile Services Lease Fees	23,750	20,000	23,750	3,750	19%	-	0%
Rental Income	18,000	32,600	19,300	(14,600)	-45%	(1,300)	-7%
Interest - Investments	50,000	10,000	69,000	40,000	400%	(19,000)	-28%
Total Non-Operating Revenue	\$ 1,221,500	\$ 1,147,000	\$ 1,213,050	\$ 74,500	6%	\$ 8,450	1%
Capital Contributions							
Capital Grants			\$ 33,000	\$ -	0%	\$ (33,000)	-100%
FEMA Reimbursements							
Total Capital Contributions	\$ -	\$ -	\$ 33,000	\$ -	0%	\$ (33,000)	-100%
TOTAL REVENUE	\$ 12,027,950	\$ 11,169,000	\$ 11,472,190	\$ 858,950	8%	\$ 555,760	5%

Revenue as % of Budget

- Water Usage
- Water Basic
- Sewer Fund
- Sale of Meters
- Rental Income
- Property Taxes
- Operating Grants
- Mobile Services Lease Fees
- Miscellaneous Fees & Charges
- Interest - Investments
- Assessment Rev. - Oly Mutual
- Assessment Rev. - Lompico

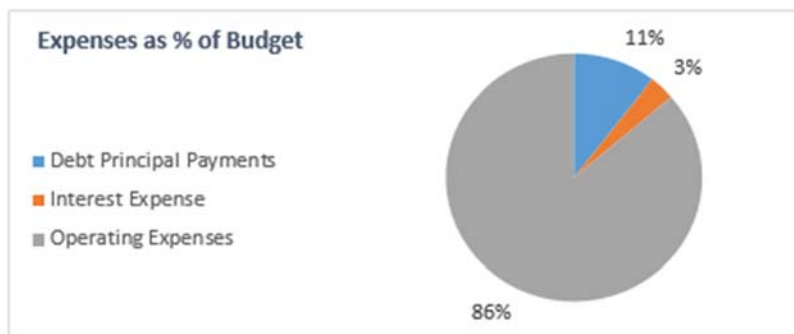


EXPENSE SUMMARY

District expenses, excluding capital projects, are budgeted to be \$9.4M for FY1920. Expenses have decreased \$49K or 1% compared to the prior year budget. Expenses have increased \$735K or 8% compared to the prior year actuals. The main cause for the increase from prior year are increases to operating expenses of \$510K and anticipated new debt expense for capital projects of \$224K.

Expense Budget

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Est. Actuals	Variance to FY1819 Budget		Variance to FY1819 Est. Actuals	
Operating Expenses							
Salaries & Benefits	\$ 5,244,896	\$ 5,048,246	\$ 4,830,428	\$ 196,650	4%	\$ 414,468	9%
Contract/Professional Services	1,252,711	1,316,360	1,227,227	(63,649)	-5%	25,484	2%
Operating Expenses	435,250	420,500	415,826	14,750	4%	19,424	5%
Maintenance	218,850	184,350	175,878	34,500	19%	42,972	24%
Facilities	591,700	571,800	580,276	19,900	3%	11,424	2%
Gen. & Admin.	355,670	420,400	359,056	(64,730)	-15%	(3,386)	-1%
Total Operating Expenses	\$ 8,099,077	\$ 7,961,656	\$ 7,588,691	\$ 137,421	2%	\$ 510,386	7%
Interest Expense							
Refunding Bond	\$ 26,267	\$ 43,695	\$ 43,696	\$ (17,428)	-40%	\$ (17,429)	-40%
Felton Loan	33,582	37,220	37,220	(3,638)	-10%	(3,638)	-10%
Olympia SRF Loan	37,987	39,657	39,657	(1,670)	-4%	(1,670)	-4%
Probation Tank Loan	77,146	130,000	-	(52,854)	-41%	77,146	0%
\$6M Bridge/USDA Loan Est.	115,720	-	-	115,720	0%	115,720	0%
Solar Lease	8,775	9,869	9,862	(1,094)	-11%	(1,087)	-11%
Vehicle Lease	1,953	2,703	2,703	(750)	-28%	(750)	-28%
Total Interest Expense	\$ 301,430	\$ 263,144	\$ 133,138	\$ 38,286	15%	\$ 168,292	126%
Debt Principal Payments							
Refunding Bond	\$ 582,031	\$ 666,015	\$ 660,015	\$ (83,984)	-13%	\$ (77,984)	-12%
Felton Loan	153,215	149,577	149,577	3,638	2%	3,638	2%
Olympia SRF Loan	66,246	64,576	64,576	1,670	3%	1,670	3%
Probation Tank Loan	50,716	275,000	-	(224,284)	-82%	50,716	0%
\$6M Bridge/USDA Loan Est.	76,074	-	-	76,074	0%	76,074	0%
Solar Lease	30,220	29,130	29,132	1,090	4%	1,088	4%
Vehicle Lease	23,256	22,505	22,505	751	3%	751	3%
Total Debt Payments	\$ 981,758	\$ 1,206,803	\$ 925,805	\$ (225,045)	-19%	\$ 55,953	6%
Total Non-operating Expenses	\$ 1,283,188	\$ 1,469,947	\$ 1,058,943	\$ (186,759)	-13%	\$ 224,245	21%
TOTAL EXPENSES	\$ 9,382,265	\$ 9,431,603	\$ 8,647,634	\$ (49,338)	-1%	\$ 734,631	8%



OPERATING EXPENSE SUMMARY

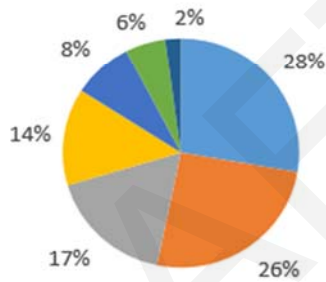
The below shows the operating expense summary by department and category. Individual departments are highlighted later in this document.

Operating Expense Budget by Department

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Est. Actuals	Variance to FY1819 Budget		Variance to FY1819 Est. Actuals	
Administrative	\$ 1,106,156	\$ 1,196,980	\$ 1,132,983	\$ (90,824)	-8%	\$ (26,827)	-2%
Finance & Business Services	1,387,886	1,353,931	1,344,387	33,955	3%	43,499	3%
Engineering	446,117	268,865	150,818	177,252	66%	295,299	196%
Operations & Distribution	2,066,985	2,168,424	2,072,958	(101,439)	-5%	(5,972)	0%
Environmental	671,693	620,665	553,628	51,028	8%	118,065	21%
Supply & Treatment	2,246,457	2,206,874	2,207,456	39,583	2%	39,001	2%
Sewer Fund	173,783	145,917	126,461	27,866	19%	47,322	37%
Total Operating by Departments	\$ 8,099,077	\$ 7,961,656	\$ 7,588,691	\$ 137,421	2%	\$ 510,386	7%

Operating Expense Budget by Department as % of Budget

- Supply & Treatment
- Operations & Distribution
- Finance & Business Services
- Administrative
- Environmental
- Engineering
- Sewer Fund

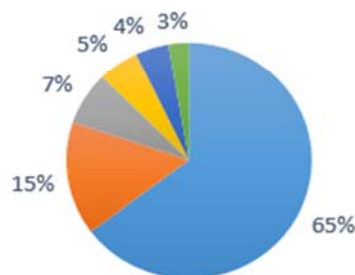


Operating Expense Budget by Expense Category

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Est. Actuals	Variance to FY1819 Budget		Variance to FY1819 Est. Actuals	
Salaries & Benefits	\$5,244,896	\$5,048,246	\$4,830,428	\$196,650	4%	\$414,468	9%
Contract/Professional Services	1,252,711	1,316,360	1,227,227	(63,649)	-5%	25,484	2%
Operating Expenses	435,250	420,500	415,826	14,750	4%	19,424	5%
Maintenance	218,850	184,350	175,878	34,500	19%	42,972	24%
Facilities	591,700	571,800	580,276	19,900	3%	11,424	2%
Gen. & Admin.	355,670	420,400	359,056	(64,730)	-15%	(3,386)	-1%
Total Operating by Category	\$8,099,077	\$7,961,656	\$7,588,691	\$137,421	2%	\$510,386	7%

Operating Expense Budget by Category as % of Budget

- Salaries & Benefits
- Contract/Professional Services
- Facilities
- Operating Expenses
- Gen. & Admin.
- Maintenance



PERSONNEL

Overall, the largest operating expense of the District is the salary & benefits portion, making up approximately 64% of the overall operating expense. The FY2019/20 budget consists of 35.5 full-time equivalent (FTE) employees, with over 65% of them typically being out in the field. District employees make our mission to provide our customers and all future generations with reliable, safe, and high quality water possible.

REQUESTED NEW HIRES:

There is one new hire positions planned for this fiscal year budget in January 2020:

- **Associate Engineer:**

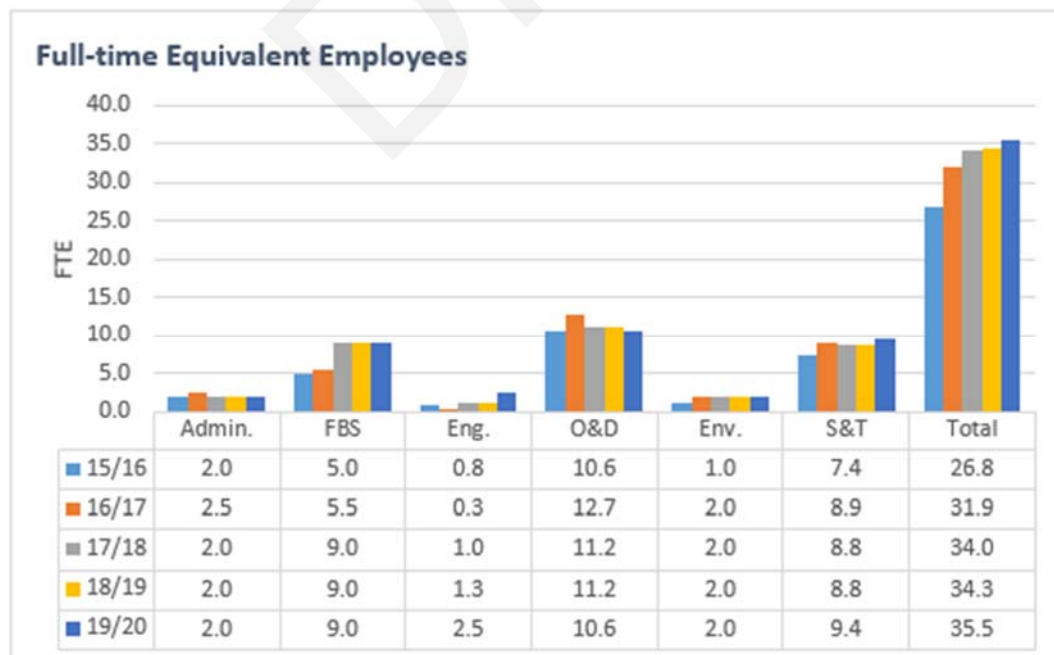
The chart below displays the FTE in FY1920 based on hire date, showing the year over year change versus the Org Chart where it displays them as of year-end being 36 FTE.

VARIANCE TO PRIOR YEAR BUDGET AND PRIOR YEAR ESTIMATED ACTUALS:

Salaries and benefits expenses have increased approximately \$197K or 4% compared to the prior year budget. This is mainly due to the full year of prior year water treatment hire and the half year of budgeted new hire this year, mentioned above.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

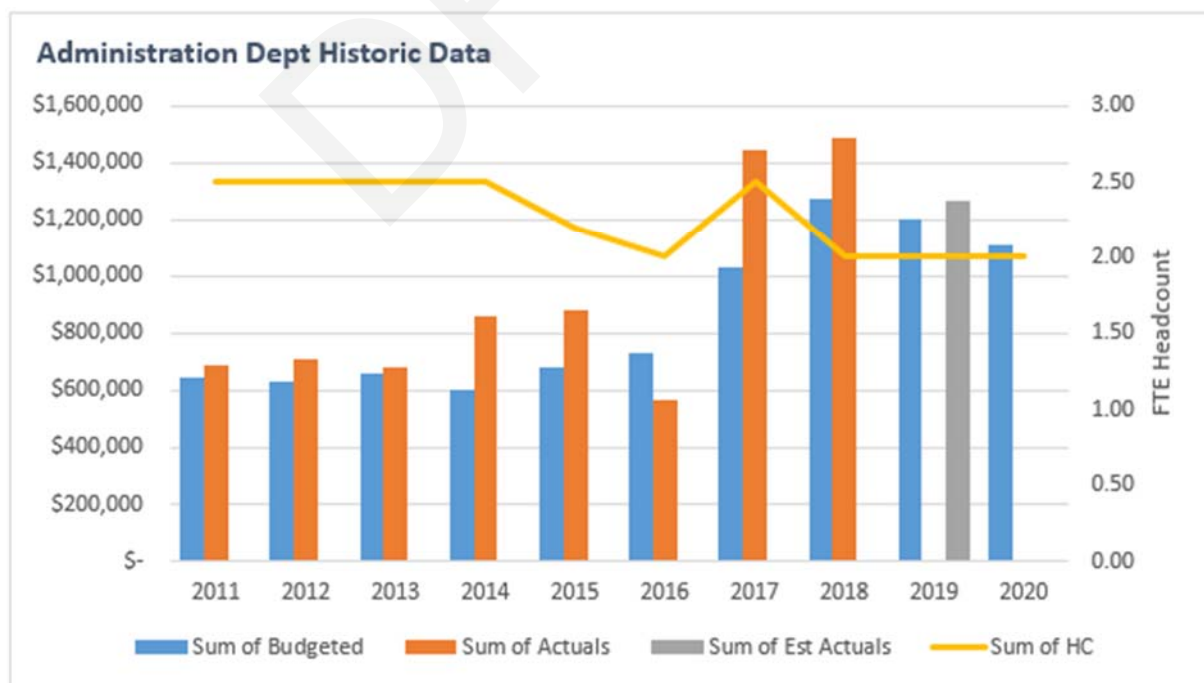
Salaries and benefits expenses have increased approximately \$415K or 9% compared to prior year estimated actuals. Approximately \$270K of this is related to new hires, \$60K related to pension payments and remainder regular employee increases.



ADMINISTRATION DEPARTMENT

The Administration Department is responsible for maintaining communications, coordinating meetings and providing requested support to the public and the Board of Directors. The department assists in developing policies and procedures, rules and regulations and the overall strategic plan of the District. There are 2 FTE employees.

- The District Manager is appointed by the Board of Directors and is responsible for exercising overall supervision of District staff. The District Manager is responsible for the execution of contracts and other documents on behalf of the District to the extent provided by the Board of Directors.
- The District Secretary prepares Board agenda packets for all Board meetings, documents the notes from the meetings, maintains insurance policies and claims, and coordinates public outreach communication with staff or third party consultants.
- This department also contains the direct expenses of the Board of Directors.



ADMINISTRATION DEPARTMENT

Administration by Expense Category

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Estimated Actuals	FY1920 PROPOSED BUDGET			
				Variance to FY1819 Budget		Variance to FY1819 Est.	
Salaries & Benefits	\$ 489,261	\$ 450,812	\$ 440,028	\$ 38,449	9%	\$ 49,233	11%
Contract/Prof. Services	413,100	534,000	490,000	(120,900)	-23%	(76,900)	-16%
Operating Expenses	1,986	993	2,071	993	100%	(85)	-4%
Maintenance	15,887	15,887	15,887	0	0%	-	0%
Facilities	26,810	25,817	26,389	993	4%	421	2%
Gen. & Admin.	159,112	169,471	158,608	(10,359)	-6%	505	0%
Total Operating Expense	\$ 1,106,156	\$ 1,196,980	\$ 1,132,983	\$ (90,824)	-8%	\$ (26,827)	-2%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have decreased \$91K or (8%) compared to the prior year budget. The decrease is due to less outside consultant and professional services expenditures, with the majority being legal and less outside public relation consultants.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have decreased \$27K or (2%) compared to the estimated prior year actuals. The decrease is related to decreased legal fees and not continuing with certain memberships such as ACWA.

BUDGET EXPENDITURES TO NOTE:

Contract/Professional Services:

- \$195K for legal services. FY1819 estimated actuals are \$250K.
- \$140K for participation in the Santa Margarita Groundwater Agency.
- \$20K for anticipated facility evaluation [may be cut]

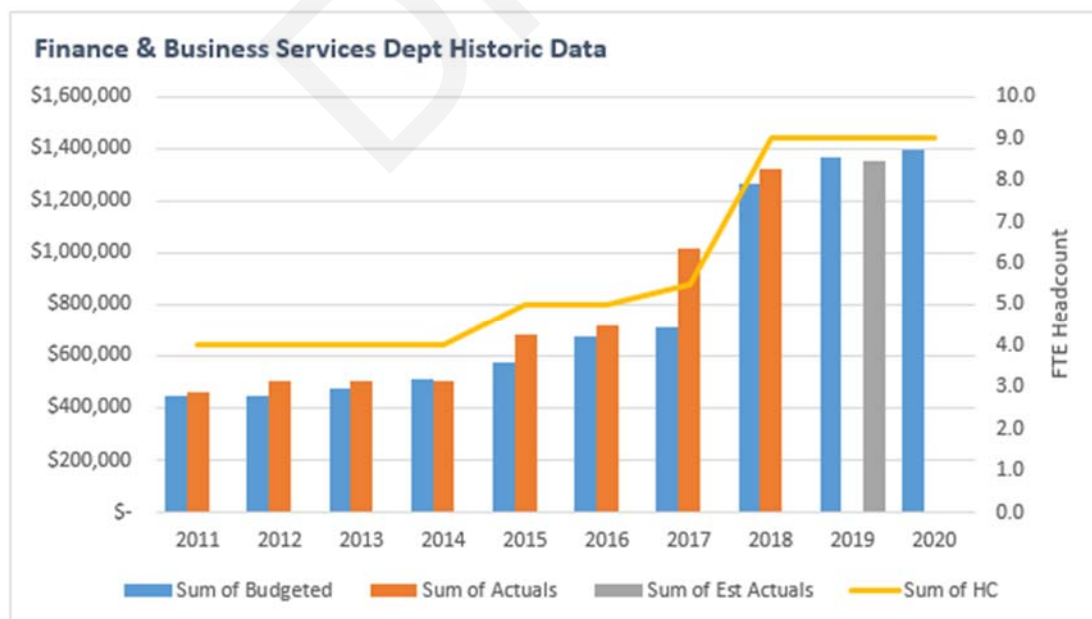
General & Administrative Services:

- \$105K for insurances, this includes the increase notice from the carrier.
- \$25K for different memberships such as LAFCO and CSDA.

FINANCE & BUSINESS SERVICES DEPARTMENT

The Finance & Business Services (FBS) Department is responsible for the District's accounting and financial duties, customer service, field customer service and human resources needs. The department has the responsibility to oversee the general day-to-day business of the District, meeting short and long term financial objectives, as well as ensuring all financial reporting requirements are being met. There are 9 FTE employees.

- The Customer Service Team is responsible for customer accounts, billing, processing payments, customer inquiries and assigning customer service orders.
- The Field Customer Service Team is responsible for reading and maintaining meters, investigating high and low usage, turning service on/off, customer rebate program field review and other service orders as assigned.
- Human Resources (HR) provides administrative and operational support to District employees and retirees on benefits administration, recruitment, training and other essential HR functions.
- The Finance Team is responsible for finance and accounting duties that support all departments, ensuring adequate internal controls, and preparing and analyzing annual financial and budget reports of the District. This department also maintains the general ledger, accounts payable/receivable, capital project accounting, grant accounting, payroll, inventory management and purchasing.



FINANCE & BUSINESS SERVICES DEPARTMENT

Finance & Business Services by Expense Category

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Estimated Actuals	FY1920 PROPOSED BUDGET			
				Variance to FY1819 Budget		Variance to FY1819 Est.	
Salaries & Benefits	\$ 1,092,849	\$ 1,075,259	\$ 1,048,826	\$ 17,590	2%	\$ 44,024	4%
Contract/Prof. Services	108,728	105,253	111,436	3,475	3%	(2,708)	-2%
Operating Expenses	1,738	993	1,619	745	75%	119	7%
Maintenance	15,738	12,759	15,391	2,979	23%	348	2%
Facilities	1,500	-	-	1,500	0%	1,500	0%
Gen. & Admin.	167,332	159,667	167,116	7,666	5%	217	0%
Total Operating Expense	\$ 1,387,886	\$ 1,353,931	\$ 1,344,387	\$ 33,955	3%	\$ 43,499	3%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have increased \$34K or 3% compared to the prior year budget. The increase is due to changes in employee benefits and regular increases in salaries and benefits. Other increases are due to Badger meter fees, maintenance of vehicles and increased banking fees as more customers are utilizing electronic payments.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have increased \$43K or 3% compared to the estimated prior year actuals. The increase is due to the same reasons as above. Banking fees would have been \$15K higher, but staff negotiated a new contract.

BUDGET EXPENDITURES TO NOTE:

Contract/Professional Services:

- \$30K for software related
- \$35K billing related
- \$15K human resources related
- \$21K for audit services

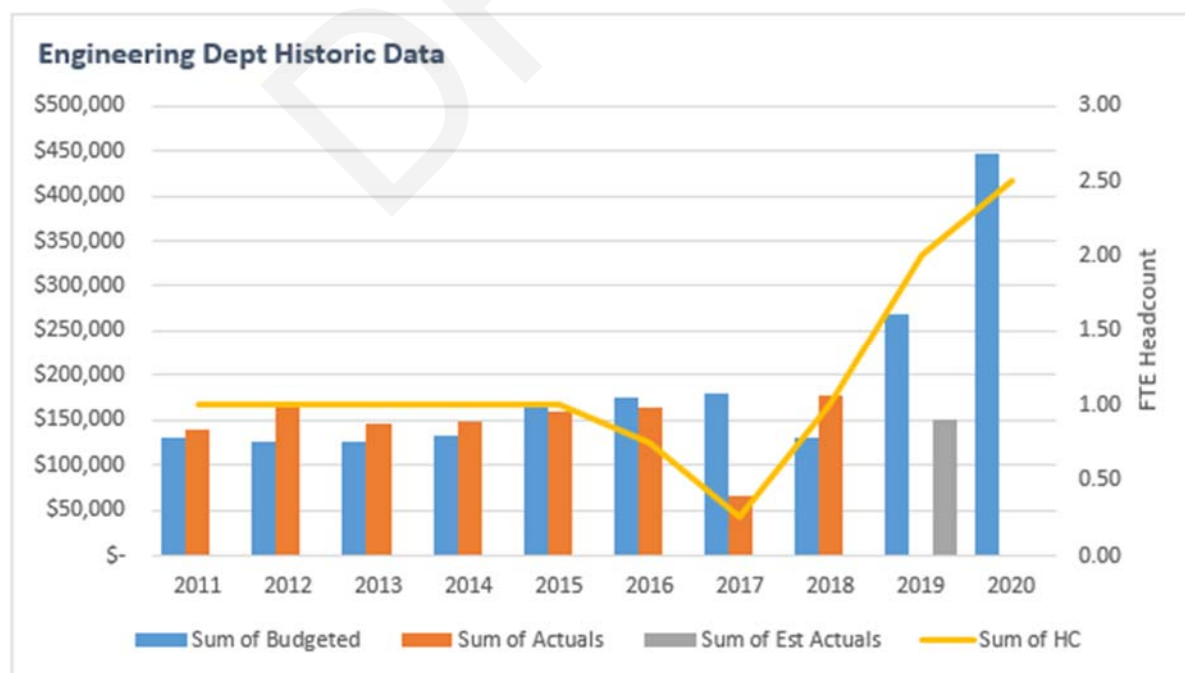
General & Administrative Services:

- \$120K for banking related, mainly due to online and credit card payments
- \$33K for postage

ENGINEERING DEPARTMENT [REWORD TO BETTER FIT NEW DEPARTMENT GOALS]

The Engineering Department designs, plans, coordinates and inspects the efforts of projects to expand the water system. Projects can include contracted out projects or internal meter reviews for individual parcels coming on to the water system. Engineering also maintains the District infrastructure drawings and maps. The Engineering Department is responsible for Geographic Information Systems (GIS) and the development of valuable tools for more efficient and effective access, linking, analysis, and maintenance of information for and about the District and its service connections. There are 2 FTE, with an Engineering Associate budgeted to start mid-year, for a total of 2.5 FTE for the budget, but 3 FTE ongoing.

The District recently hired an Engineering Manager, it is estimated 50% of the time will be capitalized to projects. This will show up as overhead absorption, crediting the operating expenses for the work capitalized. This remains as a budgeted operating expense as it is an ongoing expense of the District and can fluctuate for the basis of time worked on different tasks.



ENGINEERING DEPARTMENT

Engineering by Expense Category

	FY1920	FY1819	FY1819	FY1920 PROPOSED BUDGET			
				Variance to			
	Proposed	Adopted	Estimated	Variance to		FY1819 Est.	
	Budget	Budget	Actuals	FY1819 Budget		Actuals	
Salaries & Benefits	\$ 379,817	\$ 246,165	\$ 121,450	\$ 133,652	54%	\$ 258,367	213%
Contract/Prof. Services	32,000	15,000	25,000	17,000	113%	7,000	28%
Operating Expenses	23,000	-	-	23,000	0%	23,000	0%
Maintenance	1,000	-	-	1,000	0%	1,000	0%
Facilities	2,500	1,200	500	1,300	108%	2,000	400%
Gen. & Admin.	7,800	6,500	3,868	1,300	20%	3,932	102%
Total Operating Expense	\$ 446,117	\$ 268,865	\$ 150,818	\$ 177,252	66%	\$ 295,299	196%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have increased \$177K or 66% compared to the prior year budget. The increase from the prior year budget is due to the change from a Project Coordinator to an Engineering Manager, along with the mid-year Associate Engineer new hire position. The other increases are related to equipment or software associated with the new hires.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have increased \$295K or 196% compared to the estimated prior year actuals. The increase from the prior year estimated actuals is due to the timing of hiring the Engineering Manager position. It was originally slated to be a full year, but was only about 2.5 months.

BUDGET EXPENDITURES TO NOTE:

Contract/Professional Services:

- \$15K other outside engineering work
- \$10K software maintenance
- \$7K scanning services

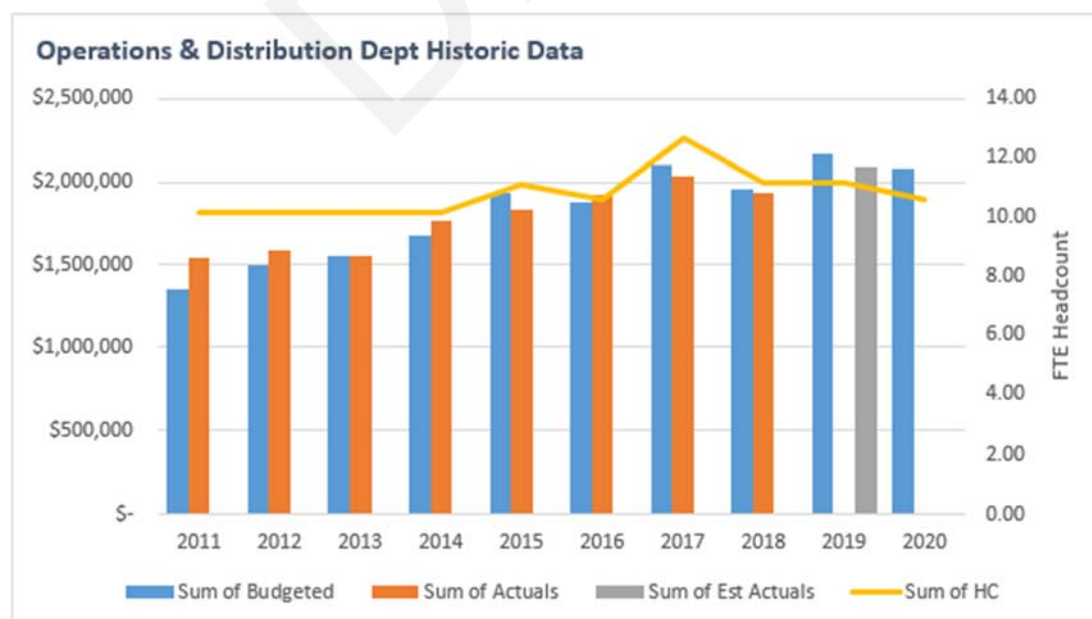
Operating Expenses:

- \$15K GPS location equipment [up for review still]
- \$8K equipping two new employees

OPERATIONS & DISTRIBUTION DEPARTMENT

The Operations & Distribution Department is responsible for the District's operations and maintenance of the water system infrastructure, wastewater system, facilities security and emergency preparedness programs. In addition to complying with all applicable environmental regulations, this department is responsible for: performing preventive and corrective fleet, facilities and right of way maintenance, managing computerized controls equipment and monitoring and maintaining infrastructure assets. The Operations Team operates the water system and facilities 24-hour a day, 7 days a week. There are 10.6 FTE employees.

- Upper management consists of the Director of Operations and the Deputy Director of Operations, who oversee all staff within the Operations & Distribution and Supply & Treatment Departments. The Director of Operations also oversees the Engineering department.
- The Field Services Supervisor oversees the Field Service Worker staff, who are responsible for the daily operation and maintenance of the systems, repairing and replacing service lines, distribution mains and valves, annual flushing to maintain water quality and locating services from Dial 811.
- The Field Services & System Coordinator provides administrative support to the Director of Operations, and performs a variety of field work relative to the operations and maintenance of water and wastewater systems.
- The Network Specialist performs administrative and technical work maintaining servers, computers and peripherals; maintains and prepares records and reports; monitors SCADA systems to report alarms; develops and maintains the District website, email and security systems.



OPERATIONS & DISTRIBUTION DEPARTMENT

Operations & Distribution by Expense Category

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Estimated Actuals	FY1920 PROPOSED BUDGET			
				Variance to FY1819 Budget		Variance to FY1819 Est.	
Salaries & Benefits	\$ 1,482,930	\$ 1,529,876	\$ 1,477,259	\$ (46,946)	-3%	\$ 5,671	0%
Contract/Prof. Services	100,000	142,000	110,000	(42,000)	-30%	(10,000)	-9%
Operating Expenses	172,000	187,000	186,171	(15,000)	-8%	(14,171)	-8%
Maintenance	105,749	108,728	98,302	(2,979)	-3%	7,447	8%
Facilities	197,866	191,387	194,991	6,479	3%	2,875	1%
Gen. & Admin.	8,440	9,433	6,235	(993)	-11%	2,205	35%
Total Operating Expense	\$ 2,066,985	\$ 2,168,424	\$ 2,072,958	\$ (101,439)	-5%	\$ (5,972)	0%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have decreased \$101K or 5% compared to the prior year budget. The Deputy Director of Operations position was created for retirement transition. This was fulfilled in FY1819 and the position is not being refilled. There was \$42K budgeted for leak detection work in the prior year, this does not occur every year.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have decreased \$6K compared to the estimated prior year actuals. For the most part the decrease is associated with budget reductions in being able to get by with less budget. Staff will alert the Board if any extraordinary items occur in the upcoming year.

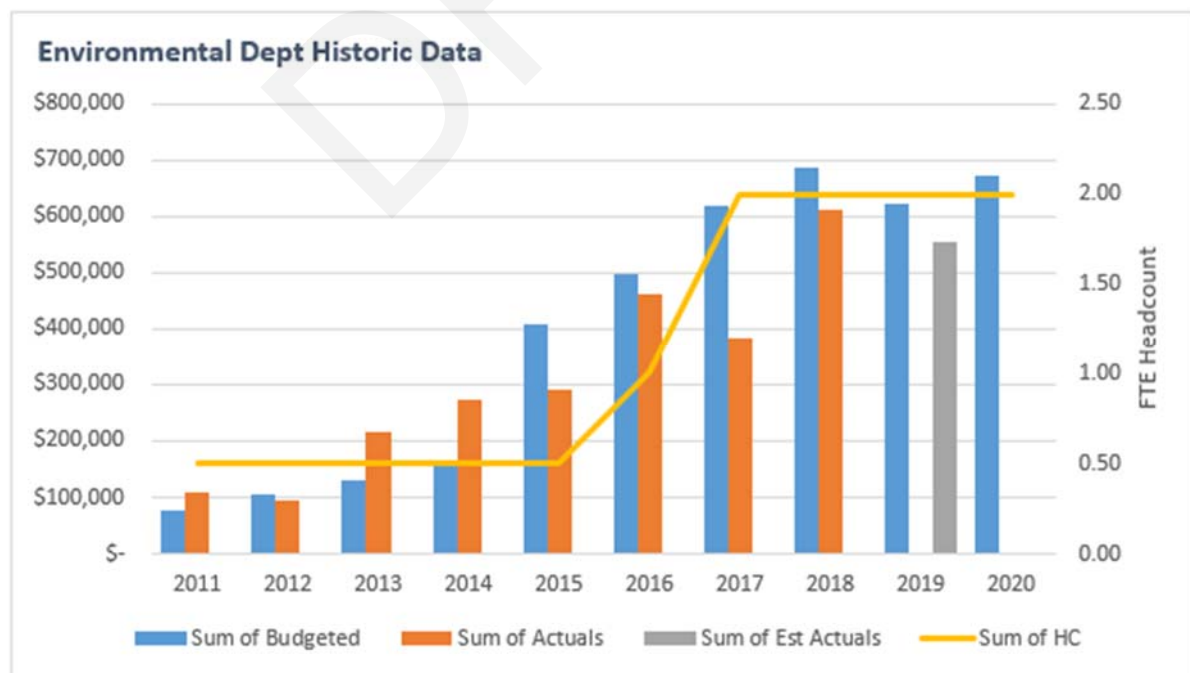
BUDGET EXPENDITURES TO NOTE:

The majority are routine, regularly occurring expenses such as utilities, vehicle maintenance, inventory parts, other regular maintenance and so forth.

ENVIRONMENTAL DEPARTMENT

The Environmental Department oversees an array of strategies and programs related to providing a safe and reliable water supply. There are 2 FTE employees.

- Facilitates District's sustainable water supply planning.
- Conducts environmental permitting for capital improvement projects.
- Conducts legislative review and advocates to protect District resources.
- Facilitates Public Engagement and Communication of District Activities through an integrated multi-media approach.
- Helps identify current or potential drought conditions to help the District increase water conservation guidelines to meet demand and regulatory requirements.
- Identifies grant funding opportunities, prepares applications, coordinates with other agencies for collaborative grants and administers grants awarded.
- Manages District lands to protect water supply.



ENVIRONMENTAL DEPARTMENT

Environmental by Expense Category

	FY1920	FY1819	FY1819	FY1920 PROPOSED BUDGET			
	Proposed Budget	Adopted Budget	Estimated Actuals	Variance to FY1819 Budget		Variance to FY1819 Est. Actuals	
Salaries & Benefits	\$ 291,032	\$ 264,605	\$ 281,137	\$ 26,427	10%	\$ 9,895	4%
Contract/Prof. Services	363,111	275,360	246,000	87,751	32%	117,111	48%
Operating Expenses	4,500	4,500	2,441	-	0%	2,059	84%
Maintenance	8,000	10,000	5,000	(2,000)	-20%	3,000	60%
Facilities	1,200	600	2,224	600	100%	(1,024)	-46%
Gen. & Admin.	3,850	65,600	16,827	(61,750)	-94%	(12,977)	-77%
Total Operating Expense	\$ 671,693	\$ 620,665	\$ 553,628	\$ 51,028	8%	\$ 118,065	21%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have increased \$51K or (8%) compared to the prior year budget. There is major reductions in the water conservation program. This is offset by increased professional services for larger one time projects such as the Habitat Conservation Plan (HCP).

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have increased \$118K or 21% compared to the estimated prior year actuals. Similar to the above, there are more irregular occurring professional services, such as the HCP and work for the 2020 Urban Water Management Plan (UWMP).

BUDGET EXPENDITURES TO NOTE:

Contract/Professional Services:

- \$130K for Habitat Conservation Plan (HCP)
- \$85K CEQA work for interties – 100% grant funded
- \$55K Hydrogeologist Consulting Services
- \$55K for stream flow monitoring
- \$36K for stream temperature monitoring
- \$20K Water Shortage Contingency Plan/ Drought Risk Assessment – UWMP

Please see the following page for further explanation of some of these projects. [still to come]

ENVIRONMENTAL DEPARTMENT

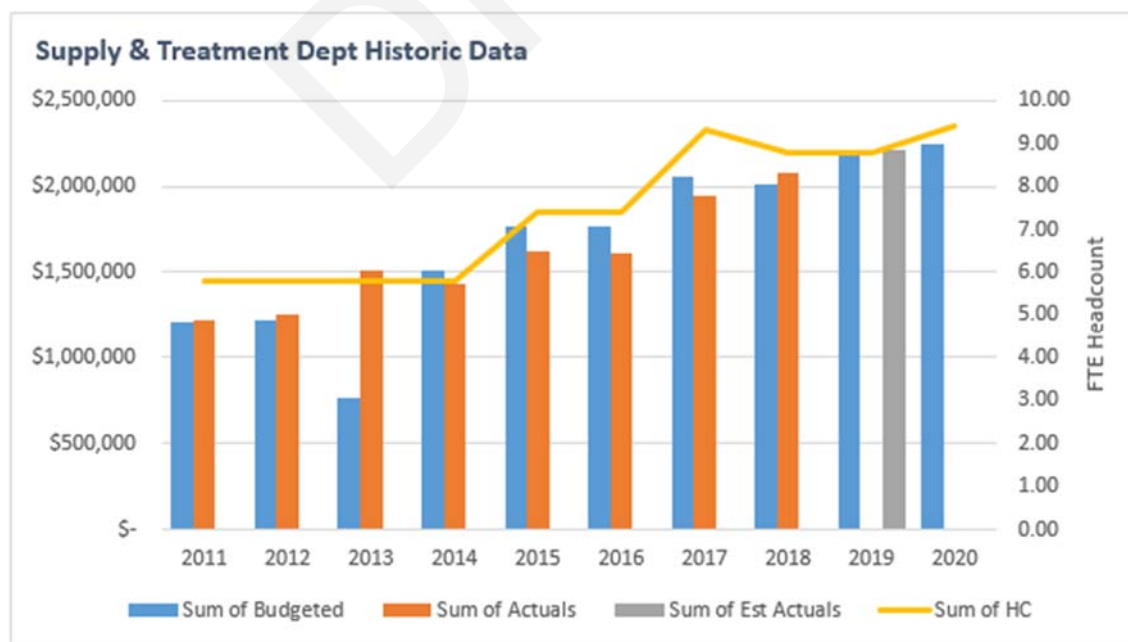
Below further explains some of the major projects within the department. Some professional services are more regularly recurring, others studies come up more irregularly or are one-time expenses.

- Stream Flow Monitoring – The District has monitored stream flow in the San Lorenzo River and tributaries associated with District diversions for 4 years to quantify the impact on river habitat. The data is being used to improve District operations to ensure water supply reliability and improve fish habitat. Changes in district operations will likely require changes to water rights. Further monitoring will quantify habitat improvements, and will be used to negotiate forbearance agreements and bypass flow requirements.
- Fish & Habitat Monitoring – The District has been partnering with the Juvenile Salmonid and Steelhead Habit Monitoring Partner Group (JSSH) for 20 years to monitor fish populations and habitat quality throughout Santa Cruz County. JSSH is developing new tools to help make informed decisions about conservation and restoration and to improve science communication with regard to fish and habitat. Partners are providing staff for monitoring field work to lower costs. [pending if funding is added back in]
- Sandhills Habitat Conservation Plan (HCP) for Capital Improvement Projects – A Habitat Conservation Plan is a permit which identifies compensation for the loss of habitat and impact on endangered species in sandhills habitat which result from the District's Capital Improvement Projects. The proposed length of term for the permit will 25 years and will cover approximately xx projects.
- Hydrogeologist Consulting Services – An as needed contract to provide hydrogeologic expertise to the District in support of the District's ongoing sustainable water supply planning efforts.
- Water Shortage Contingency Plan/ Drought Risk Assessment –Drought Risk Assessment and other requirements will be components of the 2020 Urban Water Management Plan (UWMP) Update. Development of this document will begin spring 2020, and will be the 1st phase of the 2020 UWMP due July 2021The full cost of the UWMP update will be approximately \$70K the majority will be expensed in FY20/21. The UWMP is required for all water purveyors who serve over 3000 connections and are required to be complete and in good standing in order to qualify for grants and loans.

SUPPLY & TREATMENT DEPARTMENT

The Supply & Treatment Department receives raw water from multiple surface and groundwater sources. The department treats the water utilizing full conventional treatment technologies to meet all state and federal potable water standards and performs all chemical and biologic analyses required by the California Department of Public Health and the U.S. Environmental Protection Agency. There are 9.4 FTE employees.

- The Water Treatment Supervisor plans, organizes, and participates in the operation, maintenance and repair of equipment used in the operation of the water and wastewater treatment systems, including wells, pumps, valves, reservoirs and treatment plants. This position also plans and implements a comprehensive water quality monitoring program.
- The Water Treatment Operator staff inspect stream intakes, water production, treatment and storage facilities, and wastewater collection, transmission and treatment facilities. This team also collects water and wastewater samples at various locations, performs routine laboratory analysis and records and reports results.
- The Electrician Staff perform a variety of skilled work related to the installation, maintenance and repair of industrial high voltage electrical motors, motor controls and equipment used in water and wastewater facilities; and installs, maintains, calibrates, repairs and operates electrical, pneumatic and mechanical instrumentation, controls, and equipment associated with the Supervisor Control and Data Acquisition (SCADA) system.



SUPPLY & TREATMENT DEPARTMENT

Supply & Treatment by Expense Category

	FY1920 Proposed Budget	FY1819 Adopted Budget	FY1819 Estimated Actuals	FY1920 PROPOSED BUDGET			
				Variance to FY1819 Budget		Variance to FY1819 Est.	
Salaries & Benefits	\$ 1,452,430	\$ 1,438,509	\$ 1,407,852	\$ 13,921	1%	\$ 44,577	3%
Contract/Prof. Services	160,000	180,000	205,000	(20,000)	-11%	(45,000)	-22%
Operating Expenses	207,000	204,000	204,498	3,000	1%	2,502	1%
Maintenance	70,003	34,753	40,094	35,250	101%	29,909	75%
Facilities	349,577	341,669	345,352	7,908	2%	4,225	1%
Gen. & Admin.	7,447	7,944	4,659	(496)	-6%	2,788	60%
Total Operating Expense	\$ 2,246,457	\$ 2,206,874	\$ 2,207,456	\$ 39,583	2%	\$ 39,001	2%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have increased \$40K or 2% compared to the prior year budget. The increase is due to needed repairs to some vehicles and maintenance such as replacing treatment plant flooring. Offsetting each other is the portion of the Deputy Director of Operations position not being refilled and the full year of the Water Treatment Plant Operator new hire from the prior year.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have increased \$39K or 2% compared to the estimated prior year actuals. The increase is due to the full year of the prior year hire and increased maintenance. This is offset by high contract services for unexpected well rehab in the prior year.

BUDGET EXPENDITURES TO NOTE:

The majority are routine, regularly occurring expenses such as utilities, maintenance, alarm services, and so forth.

Contract/Professional Services:

- \$60K for water analysis. Testing requirements will vary by year

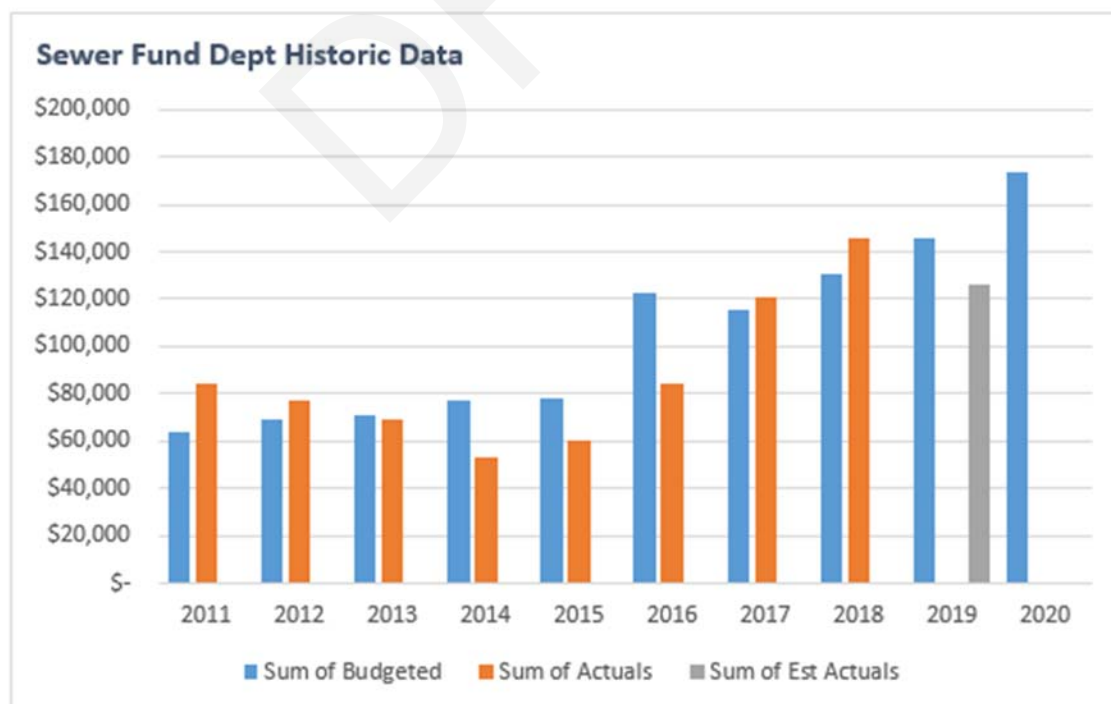
Operating Expenses:

- \$20K for new laboratory supplies needed for required state sampling.

SEWER FUND

The District owns, operates and maintains a wastewater system in Boulder Creek's Bear Creek Estates, which serves approximately 56 homes. The system is operating on a routine or as needed basis with direct staff being allocated from the Operations & Distribution or Supply & Treatment Departments. An indirect allocation process is used based on number of overall customers to allocate indirect costs identified as being a shared benefit to all customers.

- The system collects and treats domestic wastewater flow.
- The existing collection system consists of 19 manholes, 2 cleanouts, approximately 3,600 linear feet of gravity sewer, 2,600 linear feet of force mains, 2 sewer pump stations and 56 laterals.
- Initially constructed in 1985, it consisted of two (2) cast-in-place, underground concrete tanks, an influent pump station and an effluent pump station discharging treated effluent to a subsurface 2.3-acre leach field.
- From 2005 through 2013, the District completed several modifications aimed at achieving regulatory compliance and improved nitrogen removal efficiency. This resulted in the existing treatment septic system being modified to incorporate a 3-stage trickling filter system, new internal recirculation/splitter/ball valves, and new air blowers with high capacity disc diffusers in the clarifier tanks.
- Due to higher regulatory requirements, there is still significant improvements needed for the wastewater system.



SEWER FUND

Sewer Fund by Expense Category

	FY1920	FY1819	FY1819	FY1920 PROPOSED BUDGET			
				Variance to		Variance to	
	Proposed	Adopted	Estimated	FY1819		FY1819 Est.	
	Budget	Budget	Actuals	Budget		Actuals	
Salaries & Benefits	\$ 56,577	\$ 43,020	\$ 53,875	\$ 13,556	32%	\$ 2,701	5%
Contract/Prof. Services	75,772	64,747	39,791	11,025	17%	35,981	90%
Operating Expenses	25,026	23,014	19,026	2,012	9%	6,000	32%
Maintenance	2,472	2,222	1,204	250	11%	1,268	105%
Facilities	12,248	11,128	10,820	1,120	10%	1,428	13%
Gen. & Admin.	1,688	1,785	1,744	(97)	-5%	(56)	-3%
Total Operating Expense	\$ 173,783	\$ 145,917	\$ 126,461	\$ 27,866	19%	\$ 47,322	37%

VARIANCE TO PRIOR YEAR BUDGET:

Expenses have increased \$28K or 19% compared to the prior year budget. The increase is due to allocations of direct and indirect staff time and expenses and increased consulting for the study on the system.

VARIANCE TO PRIOR YEAR ESTIMATED ACTUALS:

Expenses have increased \$47K or 37% compared to the estimated prior year actuals due to the upcoming study.

BUDGET EXPENDITURES TO NOTE:

Contract/Professional Services:

- \$30K for water analysis. Testing requirements will vary by year.
- \$45K for planned wastewater infrastructure study

LABOR DETAIL_ASSUMPTIONS

HEAD COUNT BREAKDOWN

DEPARTMENT		JOB TITLE	FTE	SUMMARY HC	
ADMIN	100	District Manager	1	100	2.00
ADMIN	100	District Secretary / Administrative Assistant	1	200	9.00
FINANCE	200	Director of Finance & Business Services	1	300	3.00
FINANCE	200	Accounting Clerk	1	400	10.60
FINANCE	200	Accountant	1	500	2.00
FINANCE	200	Customer Service Representative I	2	800	9.40
FINANCE	200	Customer Service Representative II	1		36.00
FINANCE	200	Field Customer Service Representative II	2		
FINANCE	200	Human Resource Specialist	1		
ENGINEERING	300	GIS/CAD Specialist	1		
ENGINEERING	300	Associate Engineer	1		
ENGINEERING	300	Engineering Manager	1		
DISTRIBUTION	400	Lead Field Services Worker	2		
SPLIT	400/800	Director of Operations	1		
DISTRIBUTION	400	Field Services Worker II	5		
SPLIT	400/800	Network Specialist	1		
DISTRIBUTION	400	Field Services Supervisor	1		
SPLIT	400/800	Electrician /Instrumentation Tech II	1		
SPLIT	400/800	Electrician /Instrumentation Tech I	1		
SPLIT	400/800	Field Services & Systems Coordinator	1		
ENVIRONMENTAL	500	Environmental Programs Manager	1		
ENVIRONMENTAL	500	Water Conservation Specialist	1		
TREATMENT	800	Water Treatment & System Operator	5		
TREATMENT	800	Water Treatment & System Supervisor	1		
TREATMENT	800	Senior Water Treatment & System Operator	1		

36

LABOR ASSUMPTIONS

Cost of Living	3.00%
Health Insurance	5.00%
Dental/Vision	5.00%
Step Increase*	3.50%

** Applies to any eligible employees. Steps are 5% each, but happen at various times of the year*

SUMMARY OF THE BUDGET CHANGES

CHANGES MADE TO BUDGET:	ACCOUNT	ORIG. PROPOSED	REVISED PROPOSAL	INCREASE/ (REDUCTION)	NOTES
MEDICAL	01-XXX-5140	\$ 615,197	\$ 600,635	\$ (14,562)	See Medical Assumptions Analysis
PROFESSIONAL SERVICES - ENGINEERING	01-300-5200	\$ 45,000	\$ 32,000	\$ (13,000)	See Engineering Dept Analysis
BOD MEETING	01-100-XXXX	\$ 99,000	\$ 71,000	\$ (28,000)	See BOD Meeting Analysis
SMGWA FEES	01-100-5200	\$ 200,000	\$ 140,000	\$ (60,000)	See SMGWA Fees Analysis
TRAINING & CONFERENCES	01-100-5630	\$ 8,000	\$ 4,000	\$ (4,000)	Reduced amount for staff and/or Board.
MEMBERSHIP & DUES	01-100-5631	\$ 30,000	\$ 25,000	\$ (5,000)	Slightly reduced assumptions in what renewal rates and frequency will be.
CONTRACT/PROFESSIONAL SERVICES	01-400-5200	\$ 110,000	\$ 100,000	\$ (10,000)	Tasked with trying to get safely by with less budget.*
OPERATING SUPPLIES	01-400-5300	\$ 170,000	\$ 150,000	\$ (20,000)	Tasked with trying to get safely by with less budget.*
SMALL TOOLS/MAINT & REPAIRS	01-400-5311	\$ 12,000	\$ 10,000	\$ (2,000)	Tasked with trying to get safely by with less budget.*
BUILDING MAINT & SUPPLIES	01-400-5420	\$ 25,000	\$ 20,000	\$ (5,000)	Tasked with trying to get safely by with less budget.*
ROAD MAINTENANCE	01-500-5430	\$ 12,000	\$ 8,000	\$ (4,000)	Will be dependent on if any extraordinary items come up.
TRAINING & CONFERENCES	01-500-5630	\$ 4,000	\$ 2,000	\$ (2,000)	Reduced amount for staff.
OPERATING SUPPLIES	01-800-5300	\$ 75,000	\$ 65,000	\$ (10,000)	Tasked with trying to get safely by with less budget.*
MAINT & OPERATIONS OF VEHICLES	01-400-5410	\$ 25,000	\$ -	\$ (25,000)	Moved Vactor Truck to Capital Expense
SUMMARY OF ALL BUDGET CHANGES FROM PREVIOUSLY PROPOSED BUDGET				\$ (202,562)	

* Will need to come back to Board for potential increased spending if emergency situations arise.

SUMMARY OF ITEMS TO STILL REVIEW

DESCRIPTION	ACCOUNT	POTENTIAL CHANGE	NOTES
REDUCTIONS			
VIDEO RECORDINGS	01-100-5200	\$ (7,000)	Nice to have, not required
FACILITY STUDY	01-100-5200	\$ (20,000)	Unknown, will have a citizens advisory committee
REDUCE HEADCOUNT BY 1 BY SHIFTING WATER CONSERVATION TO CSR POSITION	01-500-XXXX	\$ (88,000)	Most responsible option if water conservation programs are not funded
COMMUNICATIONS CONSULTANT	01-100-5200	\$ (10,000)	Nice to have, not required - general unknown campaign
2 BILL INSERTS	01-100	\$ (3,600)	Nice to have, not required - general unknown campaign
ELIMINATE COMMUNITY INVOLVEMENT	Multi	\$ (2,015)	OT cost associated with River Lean-up, Farmer's Market
SMART BILLING CAMPAIGN	Multi	\$ (10,000)	See analysis, savings can vary. Expected to be 1/2 year.
ELIMINATE IVR NOTIFICATIONS	01-200-5200	\$ (6,000)	See analysis
		<u>\$ (146,615)</u>	
ADDITIONS			
JUVENILE SALMONID & STREAM HABITAT SAMPLING	01-500-5200	\$ 15,000	Continue to help fund, but at a reduced amount
OPERATIONAL STREAM FLOW MONITORING	01-XXX-5200	\$ 40,000	Item was not previously included, this year it is being split between operations and enviro., where before it was all in enviro.
SMART BILLING CAMPAIGN PROMOTION	Multi	\$ 10,000	Will need communications for the savings above
SMALL REBATE/CONSERVATION PROGRAM	Multi	\$ 10,000	Extremely reduced outreach plan
		<u>\$ 75,000</u>	
NET OF ITEMS TO STILL REVIEW		\$ (71,615)	This would be the reduction in operating expenses

BOD MEETINGS

CHANGES MADE TO BUDGET:	ACCOUNT	AMOUNT
LEGAL FEES	01-100-5210	\$ (15,000)
PROF. FEES - CCTV	01-100-5200	\$ (5,000)
DIRECTOR FEES	01-100-5101	\$ (5,000)
ADMIN OVERTIME	01-100-5120	\$ (3,000)
TOTAL		\$ (28,000)

BACKGROUND:

Original budget assumed the 2 meetings per month + 4 special meetings = 28 meetings total

This revision proposes 1 main meeting per month + 4 quarterly workshops + 2 special meetings = 18 meetings total

OPTIONS TO STILL REVIEW:

PROF. FEES - CCTV \$ 7,000 Assumes 14 recorded meetings

Staff recommends the Board analyze the value of recording meetings.

Option 1 - Determine if video recordings are desired.

Option 2 - Direct staff to move forward with internal video capabilities.

Option 3 - Continue with CCTV.

ANALYSIS SUPPORT:

CCTV BOD Meeting Views

4/4/2019	3
3/21/2019	8
3/7/2019	29
2/21/2019	20
2/7/2019	16
1/17/2019	11
12/13/2018	5
11/15/2018	6
10/18/2018	23
9/20/2018	16

STAFF RECOMMENDATION:

Staff feels this is a Board level matter to be determined.

FACILITY FEASIBILITY STUDY

CHANGES MADE TO BUDGET:

Currently no change, see options to still review below
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BACKGROUND:

The District had done a Needs Assessment and Staffing Study in the past (2016). This was to help guide direction to a more suitable office environment. In July 2017 the Board directed staff to proceed with declaring the Administrative Building surplus, with intent to sell.

Also from the July 2017, staff was directed to start the facility study to address options. One being if the "Johnson" building/parcel is needed or could also be deemed surplus to sell.

OPTIONS TO STILL REVIEW:

Facility Study	\$	20,000
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ANALYSIS SUPPORT:

N/A

STAFF RECOMMENDATION:

Staff recommends moving forward with starting a committee to begin reviewing what has been done in the past and what is currently needed. This can remain funded, or be removed and brought back for outside budget approval at a later time.

ENVIRONMENTAL DEPT BUDGET ITEMS TO DISCUSS

ITEM 1	ORIGINAL CUTS:					
	These items were originally requested by the Environmental Programs Manager, but removed by the DM so that the Board could give direction. Given the recent cut to the environmental department, staff wanted Board direction on how to proceed.					
	ACCOUNT	DESCRIPTION	AMOUNT	VENDOR	PURPOSE	NOTES
	01-500-5200	OLYMPIA LAND MANAGEMENT	10,000	Unknown, possible RFP	Invasive Species	
		JUVENILE SALMONID & STREAM HABITAT				SLVWD % of project.
	01-500-5200	SAMPLING	25,000	City of Santa Cruz for DW Alley	Stewardship	Based on?
			35,000			
	01-500-5620	RESIDENTIAL REBATES	10,000	Posts as credit to UB account	Water Conservation	
	01-500-5620	COMMERCIAL REBATES	6,000	Posts as credit to UB account	Water Conservation	
	01-500-5620	WATER CONSERVATION DEVICES - GIVEAWAYS	3,000	Misc.	Water Conservation	
	01-500-5620	WATER CONSERVATION OUTREACH	1,000	Misc.	Water Conservation	
	01-500-5620	WATER CONSERVATION COALITION	5,300	Water Conservation Coalition	Water Conservation	
			25,300			
	01-500-5621	WATERSHED GRANTS DATA COLLECT	7,500	Application based	Stewardship	
	01-500-5622	EDUCATION PROGRAM	17,500	Application based	Stewardship	
			25,000			
	01-500-5631	MEMBERSHIP & DUES	5,000	Water Conservation Coalition	Water Conservation	
	TOTAL AMOUNT REMOVED FROM ORIGINAL REQUEST		90,300			
STAFF RECOMMENDATION:						
The Board should discuss the above items that were preliminarily removed and make a decision for leaving removed or to fund. These decisions will help with the additional discussion item 3 below.						
ITEM 2	KEY ITEMS REMAINING IN BUDGET:					
	ACCOUNT	DESCRIPTION	AMOUNT	VENDOR	PURPOSE	NOTES
	01-500-5200	Stream Flow Monitoring	55,111	Balance Hydrologics	Water Supply	
	01-500-5200	HCP Report District Wide	130,000	Jodi McGraw	Future CIP Planning	
	01-500-5200	Hydrogeologist Consulting Services	55,000	RFP 2019	Water Supply	
	01-500-5200	CEQA for Intertie	85,000	RFP 2019	Water Supply	100% grant funded
	01-500-5200	Fishery Assessment	10,000	Mike Podlech	Stewardship	100% grant funded
		Water Shortage Contingency Plan/ Drought Risk				
	01-500-5200	Assessment	20,000	RFP 2020, UWMP Prep	Water Supply	
	01-500-5200	Olympia Patrol Service	8,000	Land Trust SCC	Land Management	
STAFF RECOMMENDATION:						
The Board should review the remaining items in the budget. Staff does not recommend making any cuts to these items.						
ITEM 3	ADDITIONAL DISCUSSION NEEDED:					
	The Water Conservation Specialist position was created and filled in Summer of 2017. If the Board does not plan to fund the water conservation or stewardship programs, serious discussion is needed on the viability of this position. Staff sees 3 possible options:					
	Option 1	No funding of the programs above would likely result in not enough work to support keeping the position at all. (Employee layoff option)			Financial Savings	\$ (100,000)
	Option 2	Majority or all programs are funded to keep the position active. (Re-funding of conservation programs)			Financial Increase	X up to \$55,300+
	Option 3	Work with staff on creating a hybrid position within Customer Service (70% CSR and 30% Water Conservation). There is a current opening in CS. Other efficiencies within the departments would need to be found to make this work. Recommend starting with a smaller conservation plan. Keeps \$20K to go towards a smaller rebate program and communications to help attain more efficiencies for electronic processess.			Financial Savings	\$ (88,000)
STAFF RECOMMENDATION:						
Staff feels any potential talks of a layoff are a Board level discussion. Staff recognizes the current employee's value and does see an option for the migration into the currently open position.						

Environmental Department Programs Suspended with Staff Reduction

CHANGES MADE TO BUDGET:	ACCOUNT	AMOUNT	
Water Conservation Programs	01-500-5620	\$ (25,300)	<i>See next sheet for detail</i>
Land Management & Stewardship activities on District Lands	01-500-5200	\$ (10,000)	
Fish and Habitat Monitoring	01-500-5200	\$ (25,000)	
Watershed Education Grant Program Administration	01-500-5621	\$ (25,000)	
Membership Dues	01-500-5631	\$ (5,000)	
TOTAL		\$ (90,300)	

BACKGROUND:

The Environmental Department is responsible for the regulatory compliance among others for the District. By suspending required water conservation programs the District will fall short on its commitment to carryout the Demand Management Measures which were agreed upon with the Department of Water Resources in the 2015 UWMP. Water Conservation programs have a long term return on investment, reducing water consumption during summer months reduces costs of pumping and protects water supply security and reduces stress on wells and surface water dependent ecosystems. Suspension of environmental stewardship programs such a Fish & Habitat Monitoring and Land Management will expose the district to avoidable impacts from catastrophic fire and will further impact endangered species at a time when species extinctions and fire risk is on the rise due to climate change impacts and human activities.

OPTIONS TO STILL REVIEW:

Staff recommends the Board consider the long term value of regulatory compliance, climate adaptation planning (including fire and disaster planning) and water conservation as a method of sustainable water supply management. Watershed stewardship, watershed education and public engagement all have long term value by protecting ecosystem services that provide the water supply that is sold by SLVWD.

- Option 1 - suspend programs
- Option 2 - partially fund programs
- Option 3 - fully fund programs

Unfunded Projects/Programs that will be Suspended

Fire Management Planning
Land Management/Fire Risk Reduction
Climate Adaption Planning
Carbon Inventory and Identification of Operational Cost Savings
Water Supply and Watershed Education
Public Engagement - Communications Plan
Volunteer Coordination

STAFF RECOMMENDATION:

Staff feels this is a Board level matter to be determined.

Water Conservation Program Budget and Unbudgeted Conservation Programs: *Will Be Lost With Staff Reduction*

CHANGES MADE TO BUDGET:	FY18/19 Q3 YTD	Water Savings	Proposed FY 19/20
WATER CONSERVATION PROGRAMS:			
RESIDENTIAL/COMMERCIAL REBATES	\$3,154.00	265,216 GPY	\$ (16,000)
WATER CONSERVATION DEVICES	\$1,652.08	732,000 GPY	\$ (3,000)
WATER CONSERVATION OUTREACH	\$600.00	N/A	\$ (1,000)
WATER CONSERVATION COALITION	\$5,233.46	N/A	\$ (5,300)
TOTAL			\$ (25,300)

BACKGROUND:

As SLVWD moves forward with projects to manage water supply sustainably and ensure water reliability, it must demonstrate that it is achieving maximum conservation. Conservation is one piece of a sustainable water supply portfolio. SLVWD is a regional player in the Santa Margarita Groundwater Basin and has a responsibility to manage water our water supply sustainably. SLVWD has agreed to meet Demand Management Measures in our 2015 UWMP, we need to remain in good standing in order to qualify for grants and loans. Conservation and efficiency is recognized as a way to effectively reduce long-term costs, and is often the most cost-effective source of “new water supply” available. The intrinsic value of Water Conservation can be identified by the following:

- Increase in water demand creates more pressure on degrading water infrastructure. Causing more infrastructure replacements (Water efficiency helps water systems avoid operating costs in the short run and capital costs in the long run)
- More energy, fuel, and other costs increased for utility without conservation.
- Banking water supply for long term sustainable water supply management.
- Less water will be sent to septic systems (putting less pressure on these systems and lessening failure rates).
- Peak demand will be decreased (to not overwhelm system).

OPTIONS TO STILL REVIEW:

Staff recommends the Board consider the long term value of regulatory compliance, water conservation as a method of sustainable water supply management. And the value of water conservation outreach and services as a method for improved customer engagement and maintaining good relationships with customers. The Water Conservation Coalition is a low cost way to collaborate with regional partners and share resources to realize significant water conservation county wide, reducing each individual partners workload and cost.

- Option 1 - suspend programs
- Option 2 - partially fund programs
- Option 3 - fully fund programs

Unfunded Projects/Programs that will be Suspended

Water-wise Audits Home & Commercial
Water Conservation Analysis
Water Supply and Watershed Education
School Presentations
Public Engagement - Communications Plan

STAFF RECOMMENDATION:

Staff feels this is a Board level matter to be determined.

COMMUNICATIONS CAMPAIGN

PRIOR CHANGES MADE TO BUDGET:		
HIGHWAY BANNERS	\$	(1,400)
VIDEOS	\$	(1,500)
STATE OF THE DISTRICT SYMPOSIUM	\$	(1,500)
TOTAL*	\$	(4,400)
<i>* These were items the DM cut from the original request. These are not additional cuts to the proposed budget.</i>		

BACKGROUND:
The District has typically done some sort of community communications. Some have been more water conservation based or other District pertinent information. The above \$4.4K was deemed more water conservation based and removed from the initial staff requested budget.
The remaining options below are still in the budget to continue some sort of community communications.

OPTIONS TO STILL REVIEW:		
2 Bill Inserts	\$	3,600
Communications Consultant	\$	10,000
Website Hosting	\$	4,800
TOTAL	\$	18,400

ANALYSIS SUPPORT:
Bill Inserts cost approximately \$1,800 each. Does not include design creation. Direct mailers can cost from \$4,000 to \$8,000 each.
Hosted websites are estimated to be ~\$5,000 per year Reconstructed, self maintained could be \$30K-50K+ Website RFP's will be reviewed in the near future.
Past PR consultant fees have been \$20K-100K per year. The \$10K proposed is for someone to assist with an initial plan the District can then carry out.

STAFF RECOMMENDATION:
Staff recommends the Board give clear direction on the type of communications, if any, for FY1920. Bill inserts are a preferred method for mass distribution compared to direct mailers, due to cost efficiencies. Staff feels a new website will have great benefits, but it is an added cost that should be discussed. <i>This does not include a electronic campaign.</i>

COMMUNITY INVOLVEMENT

CHANGES MADE TO BUDGET:

Currently no change, see options to still review below

BACKGROUND:

In light of the recent decision to not participate in the Redwood Mountain Fair (RMF), there are a couple other similar programs the District has been participating in that the Board should make decisions on.

Program 1 - River Clean-Up - occurs once a year and the District offers 2 employees plus the dump truck.

Program 2 - Felton Farmer's Market - District had been attending this past year 2x a month with a booth for people to stop by and ask questions of staff hosting the booth etc.

OPTIONS TO STILL REVIEW:

River Clean-Up	\$	1,087	2 employees, 7hrs OT
Farmer's Market*	\$	928	1 employee, 3hrs OT for 8 times
TOTAL	\$	2,015	

** Note there is more employee time spent at the event, but regular time would be paid out regardless and therefore not included in here.*

ANALYSIS SUPPORT:

N/A

STAFF RECOMMENDATION:

Staff feels this is a Board level matter to be determined.

SMART UTILITY BILLING CAMPAIGN

BACKGROUND:

The District offers a multitude of options for customer's with regards to ways to receive and pay bills. Depending on the services selected it can have a cost or benefit associated with it.

There are 3 main areas to consider for this:

- 1) Increase E-bills (electronic bill vs. paper bills mailed)
- 2) Online Payment Analysis - Convenience Fees
- 3) Incentive for payment options

ANALYSIS

Please review the following analysis to help form an opinion on an overall smart utility billing campaign. Realistically, this will take some time to put together. It would be beneficial to have a large campaign like this coincide with the updated website.

This can result in year over year savings for the District, but can also have significant impact on customer's convenience, so it should have significant considerations.

STAFF RECOMMENDATION:

Staff feels this is a Board level matter to be determined.

- 1) Electronic billing should have a cost savings, and with some incentive, we expect a higher level of customer participation.
- 2) Changing or charging fees for types of payments will likely have increased staff work for communicating the changes, but then reduce banking fees.
- 3) Incentives for payment options should have longer term efficiencies for the office. Some forms take a longer initial set-up.

PAPER BILL ANALYSIS

BACKGROUND:

The District does offer electronic billing options. There is a cost savings to the District for the more e-billing participation. This would require customer's to create an account online to select these options.

Alternatively, this typically correlates to online payments as well, which can significantly increase banking fees, please refer to the Payment Cost analysis.

CURRENT BILL BREAKDOWN:

# Accounts	# Mailed	# E-Bill	% E-Bill
7,855	6,887	968	12%

INFOSEND BILL:

Processing Costs	\$ 1,088.79	\$ 0.16
Postage Costs	\$ 2,628.69	\$ 0.38
	\$ 3,717.48	\$ 0.54

POTENTIAL SAVINGS (OF THE 6,887):

		OVERALL ENROLLMENT	
	Monthly Savings	Annualized Savings	
			Total %
			# E-Bill
10% Adoption	\$ 371.75	\$ 4,461	21% 1,657
15% Adoption	\$ 557.62	\$ 6,691	25% 2,001
20% Adoption	\$ 743.50	\$ 8,922	30% 2,345
25% Adoption	\$ 929.37	\$ 11,152	34% 2,690
30% Adoption	\$ 1,115.24	\$ 13,383	39% 3,034
35% Adoption	\$ 1,301.12	\$ 15,613	43% 3,378
40% Adoption	\$ 1,486.99	\$ 17,844	47% 3,723

STAFF RECOMMENDATION:

Staff recommends coordinating an e-billing/payment promotion to customer's to encourage new participation. This should also be done with preferred payment methods. See Payment Cost analysis to see the impact the different payment methods cost the District. In addition, this should be coordinated with the new website to help get maximum exposure to customer's. *There would be an additional cost to the budget for the way we notify the community.*

ONLINE PAYMENT ANALYSIS - Based on FY1718 payments

BACKGROUND:

In discussions about the bank fees and getting customer's to go more electronic, it was brought up by at least one Board member to look into passing along some of the charges associated with the convenience of electronic payments. In the past, the District has always covered the fees.

In some cases, the District can charge customers a convenience fee for using certain payment types, but there's a maze of rules, exceptions and even state laws to navigate to ensure you stay compliant with the terms of your merchant processing agreement.

OPTIONS TO STILL REVIEW:

BANK FEES	VARIABLES	See below
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ANALYSIS SUPPORT:

A convenience fee could be easily added to the District's online payment platform. However, in the U.S. Region, except as permitted in "Tax Payment Program – Interchange Reimbursement Fee Qualifications and Fee Amount – U.S. Region," a Convenience Fee must not be added to a Recurring Transaction. Therefore, the fee can only be applied to the one-time electronic payments made on the District's portal.

PAYMENT TYPE	# TRANS.
Credit Card One-Time	11,928
Credit Card Recurring	8,048
EFT One-Time	5,081
EFT Recurring	4,681
TOTAL # ONE-TIME	17,009
TOTAL # RECURRING	12,729

POTENTIAL SAVINGS BASED ON ONE-TIME PAYMENTS:

IF FEE IS AT \$1.50	\$ 25,514
IF FEE IS AT \$2.00	\$ 34,018
IF FEE IS AT \$2.50	\$ 42,523
IF FEE IS AT \$3.00	\$ 51,027
IF FEE IS AT \$3.50	\$ 59,532

STAFF RECOMMENDATION:

Staff feels this is a Board level matter to be determined. Staff does feel that given the multiple payment options the District offers, it appears reasonable to have the fees passed on if the customer so chooses that payment process.

Staff would also like to remind the Board that the bank fees are completely subjective to the customer's preference in payment method. These fees can change greatly depending on the migration to being electronic. There are ways to incentivize customers to use the most cost friendly plan, which can be discussed in the future if a going electric campaign is desired.

PAYMENT COST ANALYSIS

FY1718 Bill Payment Breakdown

			% OF		
PAYMENTS:	TOTALS	REVENUE	# TRANS.	CATEGORY	
Check In-house	\$ 4,767,101	49.8%	28,914	In-House-Manually	
Credit Cards	\$ 2,162,553	22.6%	19,977	Online	
E-Check	\$ 938,435	9.8%	9,762	Online	
ACH Check	\$ 812,997	8.5%	9,616	In-House-Manually	
E-Box Check	\$ 729,690	7.6%	15,899	In-House-Electronically	
Cash	\$ 167,628	1.8%	1,591	In-House-Manually	
Totals	\$ 9,578,404				
SUMMARY OF REVENUE					
Online Payments	\$ 3,100,988	32.4%			
In-House Payments	\$ 6,477,415	67.6%			

COSTS:	TOTALS			CATEGORY
WF	\$ 11,635			In-House
CC Processor	\$ 56,958			Online
E-check Processor	\$ 7,084			Online
Accela Platform	\$ 29,173	(already reduced for FY1920)		Online
Totals	\$ 104,849			
SUMMARY OF FEES		Ave. Cost		
Online Payments	\$ 93,215	3.0%		
In-House Payments	\$ 11,635	0.2%		

TAKE-AWAY:

- * In-House forms of payment are the least expensive for the District
- * Online payment shift can have significant impact on fees. For example, \$2M more in online payments will roughly cost \$60K more per year.
- * District could look into passing some of the online fees onto customers wishing to pay that way. See Online Payment Analysis.

IVR NOTIFICATIONS

BACKGROUND:

The District has an IVR (interactive voice response) notification program. Currently, the main use is for past due accounts. Customers can receive a text, phone call or e-mail notifying them of their past due balance.

This was reviewed in 2016 as part of the past due policy for updating fees, offering IVR and reducing the tag/turn off rate. Additional staff was needing to be pulled in for the high tag volume. Since then the reduction in tags has become more manageable.

OPTIONS TO STILL REVIEW:

IVR FEES	\$	6,000	Bought in blocks, lasts about 1.5 years
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ANALYSIS SUPPORT:

The increased tag and turn-off penalties were developed to be able to offer this type of notification. However, it is an additional service being offered.

STAFF RECOMMENDATION:

Staff feels this is a common convenience for the utility industry. It balanced out the problem of needing to pull in additional staff and has been well received by the community. Recommend continuing the program.

CAPITAL PROJECTS

#	Project	Funding Type	FY1920 BUDGET REQUEST	Future FY Projection	Total Project Cost	Est. Completion Year
	General Water System:					
1	Probation Tank	PRE FUNDED LOAN	1,670,770	-	2,250,000	FY1920
2	Felton Heights Tank and Booster	RESERVES/ PARTIAL CUST. PAID	300,000	-	300,000	FY1920
3	Meter Replacement (<i>In-house labor</i>)	RESERVES	200,000	1,935,137	2,400,000	Ongoing
4	1 Field CS Vehicle	RESERVES	35,000	-	35,000	FY1920
5	2 Ops Vehicles	RESERVES	80,000	-	80,000	FY1920
6	1 Pooled Vehicle (Eng./Env.)	RESERVES	28,000	-	28,000	FY1920
7	Glen Arbor Bridge South	RESERVES	75,000	-	85,000	FY1920
8	System Wide Master Plan	RESERVES/GRANT	200,000	-	200,000	FY2021
9	Swim Tank	USDA BRIDGE LOAN	2,000,000	-	2,086,440	FY1920
10	Lyon Zone Pipe	USDA BRIDGE LOAN	1,950,000	1,450,000	3,400,000	FY2021
11	Fall Creek Fish Ladder	RESERVES	40,000	530,000	1,000,000	FY2021
12	San Lorenzo Bridge Pipeline	RESERVES	15,000	235,000	250,000	FY2021
13	El Solyo Tank	RESERVES	50,000	-	50,000	FY1920
14	Highland Tank	RESERVES	25,000	275,000	300,000	FY2021
15	Brookdale Tank Coating	RESERVES	250,000	-	250,000	FY1920
16	Blair Tank Coating	RESERVES	225,000	-	225,000	FY1920
17	4 Mobile Generators	RESERVES	320,000	-	320,000	FY1920
18	4 Fixed Generators	RESERVES	100,000	-	100,000	FY1920
19	Vactor Truck	RESERVES	25,000	-	25,000	FY1920
	Lompico Assessment District					
20	PRV's	LOMPICO AD	100,000	-	506,528	FY1920
21	Madrone Tank	LOMPICO AD	267,375	603,875	891,250	FY2021
22	Kaski Tank	LOMPICO AD	206,250	461,250	687,500	FY2021
23	Lewis Tank	LOMPICO AD	228,500	894,000	1,142,500	FY2122
	Storm Damage 2017 FEMA					
24	Lyon Slide Repair	FEMA/RESERVES	200,000	1,632,618	2,000,000	FY2021
			8,590,895	8,016,880	18,612,218	

SUMMARY OF FUNDING SOURCES FOR CAPITAL PROJECTS:

DEBT FUNDED:

PRE-FUNDED (1,670,770)

BRIDGE LOAN (108,000)

TOTAL DEBT FUNDED (1,778,770) *Funded through water revenue based debt*

LOMPICO AD PROJECTS (802,125) *Funded through AD revenues or AD revenue based debt*

FUNDING FROM RESERVES 6,010,000 *Amount needed from reserves*

CAPITAL PROJECT DESCRIPTION

PROBATION TANK REPLACEMENT

The probation water storage tank is a 100,000 gallon redwood tank located directly behind the Santa Cruz County Juvenile Probation Center off Graham Hill Road in Scotts Valley. This facility provides water service to approximately four-hundred sixty (460) connections in the area of Lockwood Lane and Whispering Pines Drive, in Scotts Valley. The Probation Tank is approximately 50 years old and has reached its life expectancy, requires ongoing leakage repair and is undersized. The surrounding area contains sensitive environmental habitat.

Project Description:

Construction of a new 500,000 gallon welded steel water storage tank in the Probation Zone. This project will replace the existing Redwood tank. The project includes but is not limited to, temporary water storage for customers, new water tank, SCADA control, fencing, and environmental permitting.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
1,980,000	1,670,770	0	2,250,000



CAPITAL PROJECT DESCRIPTION

FELTON HEIGHTS TANK AND BOOSTER

In 2013, the District took ownership of Felton Heights Mutual located in Felton. The 21 water connections were receiving water from the District through a single master water meter. As a requirement for the transfer of ownership is to replace existing undersized water storage tank with a 60,000 gallon water tank. The twenty-one homes are responsible for a portion of the project.

Project Description:

The project includes but is not limited to property acquisition by easement, engineering, and water tank construction.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
	300,000	0	300,000



CAPITAL PROJECT DESCRIPTION

METER REPLACEMENTS

The District maintains a meter replacement program. Meters should be replaced every 10-15 years. Meters that are greater than 15 years old have a higher tendency to under-report water use or fail all together. Failing meters are identified in the meter reading process and replaced as needed. There should be approximately 500 meters replaced annually to maintain the meters.

Project Description:

Replace approximately 500 meters in the District.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
264,863	200,000	1,935,137	2,400,000

4 VEHICLES

To perform customer service, operations and maintenance, the District maintains a fleet of various types of vehicles. With the increase in staff and replacement of existing vehicles that have reached their life expectancy, additional vehicles are needed. The fleet is evaluated annually for replacement.

Project Description:

Three vehicles for replacement: one Field Customer Service similar to an F-150, two Distribution similar to an F-250. All three vehicles have approximately 150,000 miles.

One new shared vehicle: A pool vehicle for the engineering, environmental, and Network Specialist is needed for field and other location work by these departments/individuals. The pool vehicle used now is a carryover from Lompico that is a 2003 Ford F-250 4x4 with 162,000 miles. This will be a fuel efficient small SUV.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
0	143,000	0	143,000

CAPITAL PROJECT DESCRIPTION

GLEN ARBOR BRIDGE (SOUTH) WATER REPAIR/REPLACEMENT

The waterline crossing the Glen Arbor Bridge South is embedded in a concrete tube in the bridge, inaccessible for repairs. Constructed in 1968 the waterline has developed a small leak in the bridge structure.

Project Description:

Repair/Replacement of the waterline crossing the bridge

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
10,000	75,000	0	85,000

SYSTEM WIDE MASTER PLANS

Preparation and calibration of a computer simulation hydraulic model of the District's water system for analysis of fire flows, storage requirements and system efficiencies for the respective zones. Once the models have been calibrated, the District will use them to study what current pipe diameters/ pump stations/ storage tanks are deficient for fire flows and/or normal operation. Use of these models will help to prioritize capital Improvement projects.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
0	200,000	0	200,000

CAPITAL PROJECT DESCRIPTION

SWIM TANK REPLACEMENT

The Swim Water Storage tanks, located off Scenic Way in Ben Lomond, is part of the original water distribution system acquired by the District in 1965 from Citizens Utilities Company. This facility provides water service to approximately one hundred twenty five (125) connections. The existing redwood storage tank consists of two 20,000 gallon redwood storage tanks located off a steep embankment with no vehicular access. The existing redwood tanks require ongoing maintenance to control leakage. In 2015, the lower tank was lined to stop excessive leakage. The tanks are undersized for the service area.

Project Description:

Construction of a new 64,000 gallon bolted steel water tank **located at the same location**. The project includes, but is not limited to construction of a new bolted steel water tank, SCADA control, fencing and retaining walls.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
86,440	2,000,000	0	2,086,440



CAPITAL PROJECT DESCRIPTION

LYON DISTRIBUTION ZONE PIPING REPLACEMENT

The Lyon Surface Water Treatment Plant supplies water to the North System through the Lyon Distribution Piping. The existing mainline is 6-inch and creates a restriction limiting the amount of water supply.

Project Description:

Construction of approximately 3,000 lineal feet of new 12-inch water main and appurtenances thereto. This project will replace the existing 6-inch water main along Highway 236 from Big Steel Water Storage Tank to Highway 9. The existing distribution system is outside the Highway 236 right-of-way and traverses under homes. Undersized water main is the source of flow capacity restriction between Big Steel, Brookdale and Reader Zones.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
0	1,950,000	1,450,000	3,400,000

FALL CREEK FISH LADDER

The Fall Creek Diversion Facility, located off Fall Creek Road in Felton, is part of the water system acquired by the District in 2007 from the California-American Water Company. This facility supplies raw water from Fall Creek to the Kirby Water Treatment Plant in Felton. The Diversion Facility includes a series of weirs, pools and jumps used by salmon for upstream and downstream travel. The facility has needed upgrading since before the District acquired it. Upgrades will include reducing the jump height between the pools for fish travel, as required by State and Federal regulations and improvements to the intakes.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
430,000	40,000	530,000	1,000,000

CAPITAL PROJECT DESCRIPTION

SAN LORENZO BRIDGE PIPELINE

The county is putting plans and specs together to replace this bridge. The district has a 2" and a 1.5" pipeline crossing this bridge now, which is insufficient. This is also an opportunity to tie in to the City of Santa Cruzes raw water line coming from Loch Lomond Reservoir in order to eventually be able to treat the Districts allotment of water from Loch Lomond.

Project Description:

To design and install with the county bridge replacement a larger potable water line, and to make a connection and bring a pipe across the bridge from City of Santa Cruzes raw water line coming from Loch Lomond Reservoir for future treatment by the District.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	15,000	235,000	250,000

EL SOLYO REDWOOD TANK REPLACEMENT

El Solyo Tank is located off of El Solyo Drive in Felton. This is a 20,000 gallon redwood tank that is leaking. The District has had diving contractors out to try and repair this tank multiple times with little to no effectiveness. The State Department of Water Resources has been instructing the District to replace all of its redwood tanks every year during annual inspections.

Project Description:

Replace the existing 20,000 gallon redwood tank with two 10,000 gallon poly tanks.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	50,000	0	50,000

CAPITAL PROJECT DESCRIPTION

HIGHLAND REDWOOD TANK REPLACEMENT

Highland Tank is located off of Highland Drive in Boulder Creek. This is a 64,000 gallon redwood tank that is leaking. The District has had diving contractors out to try and repair this tank multiple times, this worked for a short period of time then the leaks continue. The State Department of Water Resources has been instructing the District to replace all of its redwood tanks every year during annual inspections.

Project Description:

Replace the existing 64,000 gallon redwood tank. It is undetermined at this time what is going to be the best option as a replacement. This will all be determined in the design phase.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	25,000	275,000	300,000

BROOKDALE TANK PAINTING AND COATING

Brookdale Tank is located off of Annie's Way in Brookdale. This is a 73,000 gallon welded steel tank that is in need of painting and coating. The District has had contractors out to assess the tank, and has been determined it is past time to rehab this tank, before catastrophic failure. The State Department of Water Resources also has requested that the tank be rehabilitated.

Project Description:

Take Brookdale tank offline and have a painting and coating contractor rehab the existing tank.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	250,000	0	250,000

CAPITAL PROJECT DESCRIPTION

BLAIR TANK PAINTING AND COATING

Blair Tank is located off of Blair Street in Felton. This is a 26,000 gallon welded steel tank that is in need of painting and coating. The District has had contractors out to assess the tank, and has been determined it is past time to rehab this tank, before catastrophic failure. The State Department of Water Resources also has requested that the tank be rehabilitated.

Project Description:

Take Blair tank offline and have a painting and coating contractor rehab the existing tank.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	225,000	0	225,000



CAPITAL PROJECT DESCRIPTION

MOBILE GENERATORS

The District at this time has three mobile generators for 20+ sites that require generator power during power outages. With the new PG&E fire protection power outages and the man hours moving these generators from site to site during other power outages the District needs to move forward with procuring these mobile generators.

Project Description:

Purchase and procure 4 mobile generators for these sites with no standby power.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	320,000	0	320,000

FIXED IN PLACE GENERATORS

The District has eleven facilities with fixed in place standby generators. There are multiple facilities that are capable of housing these types of generators. This would help alleviate some of the moving of mobile generators in to small areas with tight roads and footprints to stage mobile generators. With the new PG&E fire protection power outages and the many of power outages this District experiences it is of best interest to make more of our sites stand alone.

Project Description:

Purchase, procure and install four fixed in place standby generators at four District sites.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	100,000	0	100,000

CAPITAL PROJECT DESCRIPTION

VECTOR TRUCK

The District has a vehicle capable of being converted to a vector truck. This will save the District money and time; spoil material, backfill material, asphalt, and man hours. A vector truck is capable of digging out leaks, meters, valves, and etc. with a lot less impact.

Project Description:

Purchase and procure a skid mounted vector, mount, and install on District truck #747 a Ford F-550.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
0	25,000	0	25,000

CAPITAL PROJECT DESCRIPTION

LOMPICO PRESSURE REGULATOR VALVES (PRV) REPLACEMENTS

As part of the consolidation of Lompico County Water into the District, it was identified to replace eight (8) mainline pressure regular valves. The existing valves have reached their life expectancy and require replacement.

Project Description:

Engineering, design and replacement of eight (8) pressure regulator valves.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
406,528	100,000	0	506,528



CAPITAL PROJECT DESCRIPTION

MADRONE TANKS LOMPICO

Madrone tanks are two 60,000 gallon tanks in Lompico that are part of the Lompico assessment. These are redwood tanks that are in the assessment for replacement. These tanks have been in design in fiscal year 18/19. This budget item is to continue the design and then start construction of these tanks. The State Department of Water Resources has been instructing the District to replace all of its redwood tanks every year during annual inspections.

Project Description:

Continue to design and construct to replace these two redwood tanks.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
20,000	267,375	603,875	891,250



CAPITAL PROJECT DESCRIPTION

KASKI TANKS LOMPICO

Kaski tanks are two 60,000 gallon tanks in Lompico that are part of the Lompico assessment. These are redwood tanks that are in the assessment for replacement. These tanks have been in design in fiscal year 18/19. This budget item is to continue the design and then start construction of these tanks. The State Department of Water Resources has been instructing the District to replace all of its redwood tanks every year during annual inspections.

Project Description:

Continue to design and construct to replace these two redwood tanks.

Spent in Prior FY(s)	FY1819 Budget	Future FY Proj.	Total Project Cost
20,000	206,250	461,250	687,500

LOMPICO LEWIS WATER TANK REPLACEMENT

As part of the consolidation of Lompico County Water into the District, the residents of Lompico are required to replace the Lewis Water Tank. The 100,000 gallon tank supplies water service to approximately 240 service connections and has reached its life expectancy requiring replacement. The location of this tank is in sensitive habitat and will require permitting from Federal Fish & Wildlife which is expected to take 18 months to obtain.

Project Description:

This project will replace the existing Redwood tank. The project includes but is not limited to, temporary water storage for customers, new water tank, SCADA control, fencing, and environmental permitting.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
20,000	228,500	894,000	1,142,500

CAPITAL PROJECT DESCRIPTION

LYON WATER TREATMENT PLANT ACCESS ROAD REPAIRS (STORM DAMAGE)

The access road to the Lyon Water Treatment Facility was severely damaged in two locations during storm events.

Project Description:

Stabilize and repair access road in two locations. Replace asphalt paving.

Spent in Prior FY(s)	FY1920 Budget	Future FY Proj.	Total Project Cost
167,382	200,000	1,632,618	2,000,000



OTHER POSSIBLE REVENUE SOURCES

LEAK ADJUSTMENT PROGRAM

The District offers a leak adjustment program for unexpected leaks on the customer side. There are approximately 100+ leak adjustments done each year

FISCAL IMPACT: \$30,000

METER REVIEW - SIZING FIRE SERVICE

Per Rules & Regulations Section 12.10, new meter connection fees exclude the count of fixture units for fire sprinklers. What that means is if the domestic service fixture count is a 5/8" meter, but fire flow is a 1", the customer receives a 1" meter but only pays for a 5/8" connection fee.

FISCAL IMPACT: \$7,052 Per connection (difference between a 5/8" and 1" meter)

METER REVIEW - MONTHLY BILLING - SIZING FIRE SERVICE

In relation to the meter sizing mentioned above. If the customer's domestic was only sized for a 5/8", but received a 1" meter, their monthly basic fee billing rate is also the 5/8" meter.

Would impact 144 customer accounts.

FISCAL IMPACT: \$30,000 Per year

FIRE SERVICE METERS

Currently there are no monthly fees charge for fire service meters. Per Rules & Regulations Section 11.05 the Board can establish a fee.

Currently there are 59 separate fire service meters.

FISCAL IMPACT: Unknown, would be based on monthly fee assigned

CHARGING FOR METER REVIEWS

Currently there are no fees charged to get a meter review. Some take an extensive amount of multiple staff time, at no cost to the individual.

FISCAL IMPACT: Unknown, likely small amount

MULTIPLE VARIANCE PROGRAM

Those who qualify for the exemption are charged the 5/8" monthly basic fee as a single-family dwelling, while those who are multiple users are charged 1" monthly basic service fee.

There are approximately 40 accounts this impacts

FISCAL IMPACT: \$7,000

HIGH LEVEL FORECASTING WITH & WITHOUT RATE INCREASES

OPERATING REVENUE	FY1920	FY2021	FY2122	FY2223	FY2324	
Water Usage Fee	7,395,500	7,806,480	8,197,200	8,455,867	8,624,985	2% rate increase FY2223 on
Water Basic Fee	3,163,000	3,333,897	3,500,315	3,604,104	3,676,186	2% rate increase FY2223 on
Sewer Fee	132,170	158,602	173,020	176,480	180,010	2% rate increase FY2223 on
Sale of Meters	30,000	30,000	30,000	30,000	30,000	
Miscellaneous Fees & Charges	85,780	83,636	81,545	79,506	77,518	
TOTAL OP REVENUE	10,806,450	11,412,615	11,982,079	12,345,958	12,588,699	
		606,165	569,464	363,879	242,741	

OPERATING REVENUE WITH NO WATER RATE INCREASES

TOTAL OP REVENUE	10,437,749	10,462,038	10,474,364	10,475,786	10,477,328	Used in analysis below
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NON-OP REVENUE

Property Taxes	783,750	807,263	831,480	856,425	882,118	
Assessment Revenue - Oly	51,000	51,000	51,000	51,000	51,000	
Interest - Investments	91,750	73,750	73,750	73,750	73,750	~2% on \$2.5M in reserves
TOTAL NON-OP REV	926,500	932,013	956,230	981,175	1,006,868	

CAPITAL CONTRIBUTIONS

Grants					
FEMA Reimbursements		500,000	500,000		
TOTAL CAP. CONTRIB.	-	500,000	500,000	-	-

OPERATING EXPENSES

						Annual Increases
Salaries & Benefits	5,244,896	5,463,013	5,626,903	5,795,710	5,969,582	3.00%
Contract/Professional Services	1,252,711	1,290,292	1,329,001	1,368,871	1,409,937	3.00%
Operating Expenses	435,250	448,308	461,757	475,609	489,878	3.00%
Maintenance	218,850	225,416	232,178	239,143	246,318	3.00%
Facilities	591,700	609,451	627,735	646,567	665,964	3.00%
Gen. & Admin.	355,670	366,340	377,330	388,650	400,310	3.00%
TOTAL OPERATING EXPENSES	8,099,077	8,402,819	8,654,904	8,914,551	9,181,988	

NON-OPERATING EXPENSES

Interest Expense

Refunding Bond	26,267	12,354	1,345		
Felton Loan	33,582	29,859	26,039	22,129	18,124
Olympia SRF Loan	37,987	36,273	34,515	32,712	30,862
Probation Tank Loan	77,146	74,009	70,739	67,333	63,784
Solar Lease	8,775	7,647	6,477	5,263	4,004
Vehicle Lease	1,953	1,177	375		
\$6M Bridge/USDA Loan	115,720	111,013	106,109	100,999	95,676
TOTAL INTEREST PAYMENTS	301,429	272,331	245,600	228,437	212,450

Debt Principal Payments

Refunding Bond	582,031	494,531	103,454		
Felton Loan	153,215	156,938	160,758	164,668	168,673
Olympia SRF Loan	66,246	67,960	69,717	71,521	73,371
Probation Tank Loan	50,716	71,820	74,831	77,969	81,238
Solar Lease	30,220	31,348	32,518	33,731	34,990
Vehicle Lease	23,256	24,031	22,732		
\$6M Bridge/USDA Loan	76,074	215,460	224,494	233,908	243,715
TOTAL DEBT PAYMENTS	981,757	1,062,088	688,505	581,797	601,988

CAPITAL PROJECTS

Assume at least \$2.5M per year	2,168,000	2,500,000	2,500,000	2,500,000	2,500,000
Lyon FEMA Match		500,000	500,000		
Less OH Absorption	(175,000)	(100,000)	(100,000)	(100,000)	(100,000)
TOTAL CAPITAL NON DEBT	1,993,000	2,900,000	2,900,000	2,400,000	2,400,000

WITH SCHEDULED INCREASES & 2% AFTER						CUMULATIVE
OVERALL INCREASE (DECREASE)	357,687	207,389	949,301	1,202,348	1,199,142	3,915,866
IF NO WATER RATE INCREASES						
OVERALL INCREASE (DECREASE)	(11,014)	(743,188)	(558,414)	(667,823)	(912,229)	(2,892,669)

* Assumes a very low 3% Operating Expense increase

* Assumes a very low on-going capital project program

* Does not assume any future debt, which will likely be needed

ADDITIONAL ENVIRONMENTAL SUPPORT

Memo

To: District Manager

From: Environmental Programs Manager

RE: Juvenile Salmonid and Steelhead Habitat Monitoring Program

Background

Below are responses to the questions posed by Director Fultz & Director Henry regarding the Juvenile Salmonid and Steelhead Habitat Monitoring Program.

1. During our discussion about the Zayante Creek project, you mentioned that cooperation around fish helped in other ways, which I took to mean our ability to get permits fairly easily. Does this project fall into that?

We impact the federally threatened steelhead and endangered coho salmon through the diversion of water from local streams. For this primary reason, cooperation around fish restoration supports our relationship with the resource agencies. In addition, we are required to obtain specific permits from these resource agencies.. But more importantly, the Endangered Species Act and other State and Federal laws protecting Salmon and Steelhead, require the District to acquire Take Authorization in order to operate our surface water diversions. Take Authorization is in the form of a permit called Habitat Conservation Plan (HCP). There are several other permits to operate the surface water diversions that are also required including Lake and Stream Bed Alteration Agreements with CDFW. The resource agencies have not thrown the hammer at us because they see that we are working to monitor fish populations, and stream flows and our impact fish populations and that data is being used quantify our impact on the watershed and helping us to design a plan to optimize our operations which will both protect fish and make our water supply more reliable for our community.

2. Do you know how this multi-year project got started? And what the objectives for it are?

Prior to 2006, the San Lorenzo Valley Water District with the City of Santa Cruz in San Lorenzo Watershed and the Soquel Creek Water District for the Soquel Watershed were independently contracting with DW ALLEY and Associates to conduct fish monitoring. In 2006, the County offered to manage and contribute to a coordinated effort to monitor fish and stream habitat in

San Lorenzo, Soquel, Aptos and Pajaro watersheds. Through this coordinated approach, the program has 7 agency partners: County of Santa Cruz, City of Santa Cruz, San Lorenzo Valley Water District, Scotts Valley Water District, Soquel Creek Water District, City of Capitola, and City of Watsonville.

The JSSH monitoring program is driven by the following general questions:

- What is the status of the steelhead and coho populations in these four watersheds?
- Where do fish and wildlife species occur in these four watersheds?
- What are stream habitat conditions in these four watersheds?
- How can information about the steelhead and coho salmon populations and stream habitat conditions

learn more about the program at <http://scceh.com/steelhead.aspx>

2013, the County of Santa Cruz initiated a study of the Zayante subwatershed, which was identified as a core priority area for coho salmon recovery and provides important habitat for steelhead. The County partnered with the National Marine Fisheries Service, Resource Conservation District of Santa Cruz County (RCDSCC) and the Central Coast Wetlands group to walk Zayante, Bean and Lompico creeks to evaluate stream and riparian

habitat conditions and look for potential restoration projects. During this study, the San Lorenzo Valley Water District property was identified as a potential location for stream wood enhancement. Since this property is owned by a public agency and is in the higher reaches of Zayante Creek, upstream of residential development, it provides an excellent location for stream wood enhancement.

In 2014, the County reached out to the San Lorenzo Valley Water District for project support and later a partnership with the California Department of Fish and Wildlife, the RCD started working to develop the project.

In general, the objective is to support steelhead in Zayante Creek in an area that we know is used for spawning and rearing. Specifically, the objectives of the project are to (1) increase instream habitat complexity through the introduction of large stream wood and stream wood complexes; (2) increase the retention of sediment for spawning habitat and the development of

deeper pools in an areas dominated by bedrock; (3) provide winter flow refuge for juvenile steelhead.

3. Which agency or agencies, state and federal, are in charge of returning fish to the San Lorenzo River watershed?

We are all - agencies and the public - responsible for the conservation of steelhead and coho salmon in Santa Cruz County streams. Several agencies have regulatory authority but it is also up to individual agencies to conduct their business in a way that protects or enhances habitat for these threatened and endangered species.

The National Marine Fisheries Service has recovery plans but they are not regulatory documents. Both the National Marine Fisheries Service and the California Department of Fish and Wildlife have permitting authority for projects and maintenance. Primarily California Department of Fish and Wildlife and National Marine Fisheries Service are the leads in fish restoration efforts. But there are many supporting agencies including the City and the County of Santa Cruz who are responsible for enforcing local ordinances within their jurisdictions that are "at least as restrictive" as the State and Federal laws - which also support the recovery of fish in the San Lorenzo River. Other State and Federal agencies like Army Corps of Engineers, and Regional Water Quality Control Board are working on water quality issues, which support fish recovery efforts as well.

4. Is this a joint project with other agencies? Or do we do our own thing separate from other agencies?

The Juvenile Salmon and Steelhead Habitat Monitoring Program is a joint effort between the all the water supply agencies in Santa Cruz County, the County, and the Resource Agencies.

4a. If joint, it's not clear to me who decides who to hire. And for how much. And how to split the bill.

Currently the City of Santa Cruz is administrating the contract with D.W. Alley and Associates. 2018 is a sole source contract for \$59,027. SLV pays 42% of the cost because the majority of the monitoring takes place in the SLR. The San Lorenzo River has been identified as the largest, southern most, critical river on the Central Coast for coho salmon recovery.

4b. What happened last year?

The County of Santa Cruz had been managing the program since 2006 and received partner

agency support to skip a year of monitoring to focus funding and staff time to the completion of the database and a data analysis. However, there was considerable community opposition to this plan. In response, the agencies agreed to contribute additional funding to do both the annual monitoring and the database development and the City of Santa Cruz offered to manage the annual monitoring.

5. Why have we not gone to bid for the Fish Monitoring Consultant?

Prior to 2006, the San Lorenzo Valley Water District with the City of Santa Cruz in San Lorenzo Watershed and the Soquel Creek Water District for the Soquel Watershed were independently contracting with DW ALLEY and Associates to conduct fish monitoring. In 2006, the County offered to manage and contribute to a coordinated effort to monitor fish and stream habitat in San Lorenzo, Soquel, Aptos and Pajaro watersheds. Through this coordinated approach, the program has 7 agency partners: County of Santa Cruz, City of Santa Cruz, San Lorenzo Valley Water District, Scotts Valley Water District, Soquel Creek Water District, City of Capitola, and City of Watsonville.

The JSSH monitoring program is driven by the following general questions:

- What is the status of the steelhead and coho populations in these four watersheds?
- Where do fish and wildlife species occur in these four watersheds?
- What are stream habitat conditions in these four watersheds?
- How can information about the steelhead and coho salmon populations and stream habitat conditions inform conservation and restoration efforts?

You can see the new website and learn more about the program at
<http://scceh.com/steelhead.aspx>

The County of Santa Cruz went out to bid on the JSSH program in 2006, when we began managing the program. At that time, the JSSH Program received two bids and DW ALLEY and Associates was selected. From 2006-2016, DWA continued as a sole source consultant in order to maintain the same monitoring methods.

In spring 2017, Health Services Agency informed the program managers that the work should go out to bid, but there was insufficient time to run a bid process before the monitoring season, so it was agreed to contract with DWA for one more year.

The bid process takes a considerable amount of time and effort by the program manager, administration staff and partner's group time. The bid process also requires a clear scope of work for the monitoring methods. There are multiple methods to use for fish sampling and they involve trade-offs for cost, efficiency and data analysis. There was general agreement among the partner agencies that completing the database and data analysis should be completed prior to going out to bid again. In this way, the program can develop a solid scope of work that reflects the data that we want collected.

Additionally, The JSSH Partner Group has gone to bid in the past and *not* received bids that were more competitive than DWA's *for the scope that all the partners have agreed to*. The last time the City led a bid process (and worked with someone else) we implemented a much bigger scope and paid the nearly all of the cost (which was, unsurprisingly, way higher than DWA's proposed scope...by several hundred thousand dollars).

Regarding the City's purchasing rules re: bidding, we have justified hiring DWA on a sole-source basis based on his unique understanding of the watershed, ability to perform the work and the fact that each year is effectively a continuation of previous years' work. This is something that is commonly done for any type of work and not unique to DWA.

6. Can we go to bid this year?

The City doesn't have bandwidth to run a bidding process this year, and it is too late to go to bid for this season. When the County of Santa Cruz considered going out to bid in 2018, the timeline would require the Request for Proposals be released as early as January. The bid process takes a considerable amount of time and effort by the program manager, administration staff and partner's group time to develop Request for Proposals, solicit RFPs, review, score and interview consultants, develop new scope of work and contracting and assisting the consultant with getting started. At the moment, neither the County of Santa Cruz nor the City of Santa Cruz have the staff available to manage a bid process.

7. Why does SLVWD pay over 40% of the cost for the County Wide Monitoring Program? When was that decided and why?

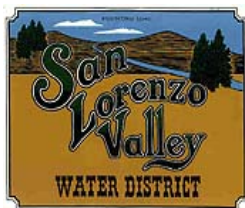
SLVWD does not pay 40% of the costs when you consider the substantial staff contribution associated with program management. At the moment, most of the costs are carried by the City of Santa Cruz for managing the annual monitoring including consultant contracting and by the County of Santa Cruz for management of the database and data analysis process.

When the County started managing the JSSH Program in 2006, we used the baseline of how much each agency was paying for monitoring already and then solicited voluntary contributions by additional partners, such as the Scotts Valley Water District. In 2006, the County of Santa Cruz contributed the most at \$25,000 and the SLVWD contributed \$15,000. Over the years, consultants' rates have increased and the SLVWD chose to fund additional sites. The County reduced our contribution to \$12,000 as our staff time increased with program complexity and for the past 2 years, the County spent our contribution on the database and data analysis effort.

8. Typically costs are broken up by connection or some operation cost. Why doesn't the City pay the lions share?

The SLVWD has been a strong supporter of this monitoring program and that has been reflected in their financial contribution.

The City picked up the bulk of the extra cost last year when partners dropped out and DWA raised his rates. SLVWD has been a strong contributor in the past, but the reality is that this monitoring effort really could be much more robust and more expensive if we really want to start examining it. Our future HCP-related compliance monitoring will be much more involved than the monitoring we've done historically in the JSSH and we are currently doing way more monitoring otherwise (including lagoon fisheries, water quality, streamflow, etc.). In my mind, the answer to the question of "Why does SLVWD pay 40% of the DWA contract?" is... "Why doesn't SLVWD contribute more to the overall watershed monitoring that is going on?" That said, I agree that the origin of cost share is worth questioning and it may be better to base future cost share on the number of connections of each water purveyor involved (at least when it comes to water agency partners) as we've done on the Sanitary Survey and other joint efforts.



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
MINUTES
MAY 2, 2019**

Thursday, May 2, 2019 at 5:30 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

1. Convene Meeting
Roll Call: Dir. Smallman-absent, Dir. Swan, Pres. Henry, Dir. Fultz-present
Staff: R. Rogers-District Manager, G. Nicholls-District Counsel, H. Hossack-Board Secretary
R. Rogers said the Dir. Smallman phoned and he will not be able to attend Closed Session but will be here for Open Session.
2. Additions and Deletions to Closed Session Agenda: None
3. Oral Communications Regarding Items in Closed Session: None
4. Adjournment to Closed Session 5:35 p.m.
 - a. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Holloway v. Showcase Realty Agents, Inc. et al.
(Santa Cruz Superior Court Case No. CV180394; 6th District Court of Appeal Case Nos. H044505, H044800).
 - b. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Vierra v. San Lorenzo Valley Water District, et al.
(Santa Cruz Superior Court Case No. 18CV00890)
5. Convene to Open Session at 6:33 p.m.
Roll Call: Smallman, Swan, Henry, Fultz were all present
Staff: R. Rogers-District Manager, J. Furtado-Dir. of Operations, S. Hill-Dir. of Finance & Business Services, D. Langfield-Engineering Manager, J. Michelsen-Environmental Programs Manager, G. Nicholls-District Counsel, H. Hossack-Board Secretary
6. Report of Actions Taken in Closed Session: None
7. Additions and Deletions to Open Session Agenda: None

8. Oral Communications: Pres. Henry limited the Oral Communications to 3 minutes per person due to the crowd.

G. Ratcliffe-Felton, said that she was disturbed by the Board's decision not to sponsor the Redwood Mountain Faire.

N. Macy-Valley Women's Club Environmental Committee, read a prepared letter to the Board.

L. Ford-Felton, said that he is concerned by the Board's plan to cut the environmental program. He would like to see the program grow and be more effective and more efficient.

J. Fasolas-Felton, said the Redwood Mountain Faire gives 10's of 1000's of dollars raised by the faire to charities in the Valley. The Board is making a statement that they don't care about the Valley and the programs funded by the faire. Regarding the environmental program, getting rid of the program is not helpful to the District.

M. Mosher-Felton, thanks the District for supporting the building of the Felton Library. Environmental literacy important to the Valley and is a focus of the Felton Library.

B. Hanson, Redwood Mountain Faire is an amazing event. The line for the beer is 1/3 the size of the line for the water. Water is life, please reconsider sponsorship.

J. Mosher-Felton, said he believes that cutting the Environmental programs will have little or no impact on rates but huge impact on the District. Healthy watershed is extremely important.

B. Holloway-Boulder Creek, pointed out that this District has been in violation of permit in Felton for more than 10 years.

9. New Business:

a. VACANCY IN AN ELECTIVE OFFICE OF THE BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT

L. Henry introduced this item. The candidates will be called on alphabetically. When called upon introduce yourself and then the Board will ask a few questions; why do you want to server on the Board, what is the biggest problem the District faces, do you understand the time commitment, what do you know about the Santa Margarita Groundwater Agency? After the candidates have all spoken the public will be allowed to respond and then the Board will discuss the candidates and choose the new Board member.

V. Champlin introduced himself and said he wants good governance. Keeping the bigger picture in mind. He has 3 concerns; reserves, infrastructure, finance. Confused by SMGWA, concerned that it's a better for Scotts Valley and Santa Cruz.

L. Farris introduced himself. He said he served on the SLVWD Community Outreach Citizens Action Committee in 2014 he then started attending Board and committee meetings. Infrastructure is biggest problem facing the District, and we're running out of time. He understands the time commitment and he already spends a lot of time. He doesn't know a lot about SMGWA. He went to their first meeting but prefers to spend his time on the SLVWD.

E. Fresco introduced herself. She recently joined the Environmental Committee. She expressed appreciation to Board for appointing her to the

committee although she didn't completely agree with the Board. She agreed that infrastructure is the biggest problem facing the District. Stewardship of the watershed is also very important. She doesn't believe in indiscriminate cost cutting. She supports and appreciates the professionalism of the staff. She understands that this job comes with a huge time commitment. What a thankless job! She said she will need to get up to speed on the SMGWA.

B. Hollenbeck introduced herself. She described herself as a fixer, spatial thinker. The rivers mean everything to her. She wants to be on the Board to help make decisions fiscally. As an educator she would like to partner with educational projects. She thinks the biggest issue the District faces is polarization. She works part-time so she has time to contribute to the Board. She said that SMGWA is a countywide mandate to recharge the aquifer. We need to stay vigilant to make changes in perpetuity.

B. Largay introduced himself and shared his experience and background. He believes that transparency is important for the Board. Water rates are also very important. Good wages important to get and keep staff. Bryan said that service to community is important to him. He thinks the biggest challenge is the bullseye on the Santa Cruz Mountains with our rainfall amounts. We need to keep an eye on what we've got and protect our resources. He has a full time job and kids in schools so he is concerned about the time commit. SMGWA is a coordinated management effort with neighboring districts and it is essential to good resource stewardship. Conjunctive use will be very important in the future.

L. Summers introduced herself and her background. She described herself as a social liberal but fiscal conservative. She said she has volunteered for many years and wants to do something important in the community. Infrastructure is the biggest problem in the District in her opinion. She is retired and has time available. She said that she attended all 3 meetings of the SMGWA in Felton is a valuable asset that this District needs to be a part of.

V. Wright introduced herself and her background. She said that her heart is here in the Valley. She has a lot of skills in community engagement and she would like to make a contribution. She thinks that the biggest issue for the District is pulling everyone together. She said she is working from home so she has time. She doesn't know much about SMGWA but has worked with joint agencies in the past.

L. Henry said she is overwhelmed with the fantastic candidates. It's going to be a tough decision.

Unidentified woman said Beth Hollenbeck is a natural leader and spoke in favor of appointing Ms. Hollenbeck to the Board.

G. Ratcliffe said that she worked with Lew and Bryan on the COCAC and she has respect for both of them. One candidate was a standout for her because the core mission is water, Bryan is focused on water.

J. Mosher agreed that this was an impressive group of candidates. He added that Beth is not qualified because of the stance she has taken on the private ownership of water. Meetings like this were not available with CalAm.

J. Fasolas advocated for Bryan. He said Bryan has the passion, qualifications and knowledge.

April Zilber (sp?) agreed that the candidates were impressive. She said that it is important to her to have a science background on the Board. Bryan, Lee, Lew, and Elaine would be her choices. Virginia was also impressive.

D. Loewen said the Board should be increased by 7 members. Lew Farris is impressive not polarized. Knows what's going on.

B. Smallman said he was blown away and this will be a tough decision. He said his top 2 are Lew, Virgil, Lee and Virginia.

S. Swan said he appreciates all candidates. He stressed that there is a big time commitment. He noted that Lew has advantages. He is familiar with District & staff. Lew is a phenomenal candidate but he would support anyone.

L. Henry said she would love to see another woman on the Board. She said that Virgil is funny. She said it should be Lew.

B. Fultz said he would like to take all 7 candidates and share their skill sets. He asked that they please continue to try to participate. He agreed that the Board needs diversity. His recommendation was Lee, Beth, or Elaine because they have a different set of skills.

L. Henry suggested that the individuals that do not make it on to the Board should consider applying for a committee position.

B. Smallman made a motion to appoint Lew Farris to the Board of Directors.

S. Swan seconded

All present voted in favor of the motion. Motion passed.

Recess at 8:08

Reconvene at 8:20

Oath of Office administered by the District Secretary to swear in Lew Farris.

b. OPERATIONS DEPARTMENT WORKSHOP

J. Furtado shared his presentation on Ops Department. (PowerPoint on website)

J. Furtado answered a few questions the Q & A will be answered on the website.

10. Unfinished Business:

a. UPPER ZAYANTE STREAM WOOD ENHANCEMENT PROJECT
COOPERATIVE AGREEMENT

J. Michelsen introduced this item. SLVWD, the City of Santa Cruz, the RCD, the County of Santa Cruz, NOAA, & California Fish & Wildlife have been working together on an upper Zayante watershed project. She introduced Lisa Lurie from the RCD.

Lisa Lurie, Executive Director with the Resource Conservation District presented the project. She introduced Matt Weld the project engineer on the project and Kelli Camara the technical director.

Matt Weld continued the presentation.

Lisa Lurie summarized the presentation.

R. Rogers said that the agreement was addressed through legal counsel.

Staff recommends executing the cooperative agreement.

G. Nicholls said that the language was vague and didn't fit well with these circumstances. The main changes that were made were (1) to try to clarify the District's role and that the District isn't involved in the construction of the project, (2) on the indemnity front, there was originally indemnification by the District for others involved on the project. That has been modified to fully indemnify the District because we are not involved in the construction. Then there is mutual indemnity for things that occur after construction and apart from the construction where a 3rd party may be involved.

R. Rogers noted that maintenance will not be much, if any.

B. Fultz said he wants the project to go forward. He said he is confused about what is the District's responsibility with respect to the conservation plan and maintenance, specifically.

L. Lurie explained that the practice standards are included on the last 2 pages of the document. That includes the maintenance obligations.

B. Fultz it says periodically check roads for erosion. What are we signing up for with this?

J. Michelsen monitoring erosion on road is part of the District's ongoing maintenance operations in the watershed. Annual inspections are made for maintaining our land.

K. Camara said that the RCD will be taking on monitoring 3-5 years.

L. Henry would like to move forward on this.

B. Fultz said he has a couple specific amendments he would like to make.

G. Nicholls said the Board would have to give staff direction to request an amendment

B. Fultz said he thinks there are some clarifications. For example, authorized participation of projects, if the cooperators or their agents do not carry out work consist, we're not really doing the work there, the RCD is doing the work. Not sure why it didn't say RDC instead of us. And then on the Conservation Plan, I don't know what that plan is.

K. Camara said the Conservation Plan is the 2 pages referred to as Exhibit E.

B. Smallman thinks the things will last longer. Maybe have some concrete logs. That will last longer.

M. Weld explained the engineering.

S. Swan questioned if the project is fully funded.

K. Camara said everything is covered and fully funded.

L. Farris questioned how long for the desired effect to be exhibited.

Matt Weld said that would depend on storm events. He would say roughly 5 years.

R. Moran said that he was on the Environmental Committee when this was brought up a number of years ago. Seemed like a good site for the program. His friend, a fish biologist, said this is an effective way to help repopulate the fish.

V. Champlin said we have benefitted from Dir. Fultz's thoroughness but we need to remember this needs a quorum, not complete agreement by all Board members. If the quorum is in favor of this let's move on.

L. Henry made a motion to accept the contract to do the Upper Zayante Stream Enhancement Project Cooperative Agreement

B. Smallman seconded.

G. Nicholls requested that the motion be reworded to approve and authorize the District Manager to sign the contract on behalf of the District. All present voted in favor of the motion. Motion passed.

b. GRAND JURY

L. Henry noted the lateness of the hour and requested that the District ask for an extension.

G. Nicholls said that the District can ask for an extension. She requested that she be authorized to draft a response along the lines of what is in the memo. And if they don't grant the extension she will have something to show you at the next Board meeting.

B. Fultz said that they've done more than what had been previously done. Discussion by Board and staff.

D. Loewen said there are a few things still in the process.

R. Moran said all Board and committee members should get training when dealing with contentious issues.

c. BOARD AND PUBLIC MEMBER COMMITTEE ASSIGNMENTS

L. Henry requested that this item be moved to next meeting.

R. Rogers said nothing is pressing, we can wait.

R. Rogers revisited this item. We have openings on committees for public members. He would like approval to move ahead with advertising. The Board agreed.

G. Nicholls said that since this item was addressed, public comments should be allowed.

11. Consent Agenda:

a. MINUTES FROM BOARD OF DIRECTORS MEETING MARCH 21, 2019

b. MINUTES FROM BOARD OF DIRECTORS MEETING APRIL 18, 2019

G. Nicholls said you don't have to vote on the minutes just make sure no one wants them pulled.

12. Written Communication:

- o Letter from J. Ricker-Steelhead Monitoring
- o Email from J. Jankovitz-Steelhead Monitoring
- o Letter A. Ingham-Steelhead Monitoring
- o Letter from C. Berry-Zayante Stream Wood
- o Letter from Felton Library Friends

- Letter from J. Ricker-Zayante Stream Wood
- Resignation from J. Wright
- Resignation from J. Gomez
- Email from B. Burt

13. Informational Material: None

14. Adjournment 10:11



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
SPECIAL MEETING MINUTES
May 15, 2019**

Wednesday, May 15, 2019 at 6:30 p.m., at the Operations Building, 13057 Highway 9, Boulder Creek, California.

1. Convene Meeting 6:30 p.m.

Roll Call: Fultz, Henry & Swan were present. Farris & Smallman absent

2. Oral Communications: None

3. Adjournment to Closed Session: 6:32 p.m.

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.

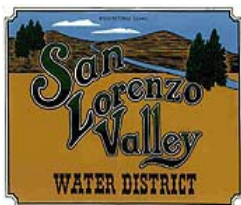
- a. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Holloway v. Showcase Realty Agents, Inc. et al.
(Santa Cruz Superior Court Case No. CV180394; 6th District Court of Appeal Case Nos. H044505, H044800)
- b. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Vierra v. San Lorenzo Valley Water District, et al.
(Santa Cruz Superior Court Case No. 18CV00890)

4. Convene to Open Session: 7:57 p.m.

5. Report of Actions Taken:

No actions to report

6. Adjournment 7:57 p.m.



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
SPECIAL MEETING MINUTES
May 21, 2019**

Tuesday, May 21, 2019 at 6:30 p.m., at the Operations Building, 13057 Highway 9, Boulder Creek, California.

1. Convene Meeting 6:30 p.m.
Roll Call: Smallman, Fultz, Henry, Swan were present. Farris was absent.
2. Oral Communications: None
3. Adjournment to Closed Session 6:31 p.m.
 - a. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Holloway v. Showcase Realty Agents, Inc. et al.
(Santa Cruz Superior Court Case No. CV180394; 6th District Court of Appeal Case Nos. H044505, H044800)
 - b. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Vierra v. San Lorenzo Valley Water District, et al.
(Santa Cruz Superior Court Case No. 18CV00890)
4. Convene to Open Session 7:08 p.m.
5. Report of Actions Taken:

The Board has voted 4 to 0 (Smallman, Fultz, Henry and Swan in favor, Farris absent) to approve the global settlement agreement of the *Holloway* and *Vierra* cases that was presented to the Board tonight in closed session, and to authorize the Board President, District Manager, and District Counsel to execute it.

The final settlement agreement will be made available to the public when it has been approved and signed by all parties.

The payment terms were negotiated by the parties to both cases and their insurance providers at an all-day mediation conducted on May 16, 2019. The terms involve compromises on all sides, and include a contribution of \$75,000 by the District toward the resolution of all claims.

In addition to the and apart from the matters addressed in the settlement agreement, in the course of the negotiations, District representatives offered to expedite resolution of a related matter – updates to the District’s Conflict of Interest Code – which will be added to the next open session Board meeting agenda.
6. Adjournment 7:12 p.m.

MEMO

To: District Manager
From: Engineering Manager
Subject: May 2019 Engineering Department Monthly Report
Date May 29, 2019

Recommendation:

It is recommended that the Board of Directors review and file the Engineering Department Monthly Report for April 2019.

Projects in Construction:

Probation Tank Replacement: The construction of the Probation Tank is continuing. During this reporting period the contractor completed the trench repair in the access road and has begun work on the retaining walls and the tank foundation. Project completion is anticipated in October 2019.

Lompico PRV Replacement: Six PRV stations are being replaced in Lompico. The award letter has been sent to the Contractor. Once contracts, insurance and bonds are reviewed and approved; a Notice to Proceed letter will be issued and the Contractor can begin ordering parts and material for construction.

Projects in Design:

Lompico Tanks Replacement: The District has hired Schaaf and Wheeler to prepare plans, specifications and an estimate (PS&E) for the replacement of the Louis, Kaski and Madrone Tanks. System modeling has been completed and the required storage has been determined. Tank configuration, construction, environmental, and design issues and concerns have been discussed. 60% PS&E are due for review by District staff in June, 2019. The tentative completion date for the bid documents is September 2019 with bidding of the project slated for this Fall and construction starting Spring 2020 for the Kaski and Madrone Tanks. The construction of the Lewis Tank may be delayed due to a more complicated environmental review.

San Lorenzo Way Bridge: Santa Cruz Department of Public Works is working on plans to replace the San Lorenzo Way Bridge. District staff are working in concert with DPW staff to provide detailed plans and District specification for incorporation into the bid documents. This effort will ensure that water facilities constructed with the bridge are built to District standards.

Swim Tank: Plans, specifications and estimates for the construction of the Swim tank are temporarily on hold pending a constructability/feasibility review. The review should be completed soon and the findings will be included in next month's Engineering Report.

RFP/RFQ:

Bear Creek Wastewater Facilities: The District is currently soliciting proposals from qualified engineering firms to conduct an alternative analysis to evaluate three treatment alternatives designed to ensure compliance with the Bear Creek Estates Wastewater Treatment Facility waste discharge permit. Proposals are due May 31, 2019.

2019 Water Master Plan: The District is currently soliciting proposals from qualified firms to assist in the preparation of the District's 2019 Water Master Plan (WMP). This WMP update is intended to assist the District in system planning, identifying hydraulic deficiencies, and guiding the development of system improvement projects.

Other Projects:

Valley Gardens Subdivision: District engineering staff are reviewing hydraulic water model data and existing and proposed water facilities in the vicinity of the subdivision to determine the impacts the subdivision may have on the District's infrastructure. Once impacts have been evaluated, Engineering staff will provide recommendations to the District manager.

Glen Arbor Bridge Water Main Leak: The water main inside the Glen Arbor Bridge over the San Lorenzo River has developed a leak. Engineering staff are currently evaluating the original construction drawings and talking to Santa Cruz County DPW staff to determine if there is access into the bridge. If no access can be found, Engineering and Operations staff will work to find the most cost effective way to fix the leak. An update will be included in next month's report.

M E M O

TO: Board of Directors
FROM: District Manager
PREPARED BY: Environmental Programs Manager
SUBJECT: Environmental Department Status Report
DATE: May 29, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Environmental Department status report.

SUSTAINABLE WATER SUPPLY PLANNING

The District is working on a multi-tier effort to optimize operations, sustainably manage water supply and diversify the District's water supply portfolio to ensure a resilient water supply as we adapt to a changing climate through the following efforts:

- Water Conservation
- Improving System Efficiencies through Conjunctive Use (Using surface water when available to rest and recharge groundwater sources)
- Capital Improvement (increasing pipeline sizes, reducing leaks, and increasing storage tank capacities)
- Permit Intertie Pipelines to optimize operations and sustainably manage water supply.
- Sustainable Groundwater Management (SMGWA.ORG)
- Climate Adaptation and Mitigation (Climate Vulnerability Assessment)
- Exploring New Groundwater Supplies

CONJUNCTIVE USE GRANT

- Fish assessment underway.
- Public engagement Workshop to be announced following Fish Assessment Report Completion.

Detailed analysis shall be completed for the following scenarios:

- 1) During dry periods, reduce Felton diversions to comply with water rights by using existing interties to supply the Felton service area with (a) additional groundwater pumping from South system wells and (b) if necessary, excess diversions and/or groundwater pumping from the North system. During wet periods, (a) provide the South System service areas with excess diversions from the Felton system and (b) if possible also provide water to the North system to reduce groundwater pumping during dry periods.

- 2) Utilize the District's right to 313 AFY of Loch Lomond water, in the following priority of use: first to supply the Felton service area and reduce Fall Creek diversions to comply with water rights; second, to serve the South service area and reduce South system groundwater pumping (i.e., achieve in-lieu recharge); and lastly to supply the North service area in order to reduce diversions, achieve in-lieu recharge, and increase groundwater discharge to dry-period base flows.

Preliminary feasibility-level analysis shall be completed for the following scenarios:

- 3) Recharge the Olympia area aquifer by injecting excess wet period diversions from the North system, Felton system, and/or Loch Lomond. Increase dry-period Olympia groundwater pumping by a comparable amount to reduce North system diversions.
- 4) Supply the South system and Scotts Valley Water District with excess wet period diversions from the Felton system, North system, and/or Loch Lomond in order to achieve in-lieu recharge. Utilize increased groundwater storage to increase dry period groundwater use and reduce stream diversions in the Felton system and North system.

STREAMFLOW, TEMPERATURE AND RELATED OBSERVATIONS FOR THE SAN LORENZO VALLEY WATER DISTRICT'S SURFACE SOURCES OF COMMUNITY WATER SUPPLY *WATER YEAR 2014 TO 2017*

Planning for water year 2019:

The District has been conducting Stream gaging associated with the District's surface water diversions since WY 2014 to quantify how the District's water supply diversions impact habitat in the San Lorenzo River and associated tributaries. Staff recommends that the District continues to monitor stream flow in water supply streams that impact Boulder Creek and Lompico Creek until a forbearance agreement can be reached.

SANTA MARGARITA SUSTAINABLE GROUNDWATER MANAGEMENT AGENCY (SMGWA.ORG)

Montgomery and Associates has been selected to be the Technical Consultant. The roll of the Technical Consultant will be the following:

- Correct the deficiencies identified in the hydrologic model.
- Assist with the technical writing of the Sustainable Groundwater Management Plan.
- Explore the concept of Management Areas.
- Determine Sustainability Criteria.

The next SGMWA Meeting is scheduled for Thursday, June 27th at 7:00 PM at Scott's Valley Water District. For more information <http://smgwa.org/>

ENVIRONMENTAL COMPLIANCE - CAPITAL IMPROVEMENT PROGRAM

SANDHILLS HABITAT CONSERVATION PLAN FOR THE SAN LORENZO VALLEY WATER DISTRICT CAPITAL IMPROVEMENT PLAN

District is preparing a Habitat Conservation Plan to mitigate the impacts to listed species in sandhills habitat which result from the District's Capital Improvement Projects. The HCP will cover the District's capital improvement projects, operations and maintenance activities, and watershed management actions, that impact species protected by the Endangered Species Act (ESA) and sensitive habitat of the Santa Cruz sandhills. The District Sandhills HCP (DSHCP) will provide the basis for the United States Fish and Wildlife Service (USFWS), which administers the ESA for terrestrial species, to issue the District an Incidental Take Permit (ITP) to cover all of the capital improvement projects, operations and maintenance activities, and watershed management actions that affect the covered species. This approach will greatly reduce the timeline and cost for project permitting compared to preparing individual HCPs for each project or site. Timeline to Submit HCP for agency review is December 2019. Cost for development of HCP: \$129,000

CIP PROJECT PERMITTING

Staff is working to secure permits for the following Projects:

Fall Creek Fish Ladder Project Cost: \$ 1,160,000

Lion Treatment Plan Access Road Slide (FEMA funded)

Lompico Tank Replacement Program

Lewis Tank Replacement Project

WATERSHED MANAGEMENT/ STEWARDSHIP

ZAYANTE CREEK STREAM WOOD HABITAT ENHANCEMENT PROJECT

The San Lorenzo Valley Water District owns about 0.5 mile of Zayante Creek upstream of the Mountain Charlie Gulch confluence. This stream reach will serve as extremely valuable spawning and rearing habitat for both steelhead and Coho salmon. With the District's ownership, this reach is not impacted by residential development, which is prevalent in lower Zayante Creek, and is down stream of multiple obstructions that limit steelhead access into upper Zayante Creek.

The project focuses on habitat enhancement measures on publicly held properties, owned by the City and the SLVWD, with the objective of developing cost-effective restoration actions that attempt to restore historic functions that created and maintained the physical habitat necessary to support key life stages for these listed species. The design process to date has included technical review, site visits, and collaboration with the City, SLVWD, the City's consulting forester, County of Santa Cruz, Santa Cruz County Resource Conservation District, National Marine Fisheries Service, and California Department of Fish and Wildlife.

Timeline:

1. October 2, 2014: The SLVWD Board granted permission for the project to take place on District property.
2. July 2018: Resource Conservation District received a grant from State Water Resources Control Board for the Upper Zayante Creek Stream Wood Enhancement Project, and are in the process of mobilizing to begin work.
3. April 2019: District authorized the cooperative agreement associated with permitting and implementation of the project.
4. *June 2019: Acquire Permits from State and Federal agencies, under the direction of the RCD.*
5. *Summer 2019: Large wood installation construction.*

FIRE MANAGEMENT PLANNING ON DISTRICT WATERSHED LANDS

Staff is working to prepare a Fire Management Plan which will improve mapping, road access for fire personnel and improve communications with Fire Prevention Agencies. Staff is also working to create a post-fire plan to ensure the most efficient recovery of District's water resources following a fire event.

Staff is scheduled to meet with fire agencies in June to discuss plan and give tour of properties.

Staff attended a post-fire field school in April 2019 - focused on sediment, roads, and water systems.

Staff is working with consultant to reduce fuel loads and to mark roads and gates.

WATER CONSERVATION

Water Conservation Rebate Quarterly Report (next report available end of quarter on June 30th)

FY 18/19 Q3 Ending March 31, 2019

Code	Type	Water Savings by type	# Rebates	Amount	Water Saved Gallons per year
RBDRIP sqft	Drip	4,500 gpy/ 500sf			0
RBHECW	Clothes Washers	5100GPY	2	\$200	10200
RBHWRS	Recirculation System	7800GPY	0		0
RBLAWN	Lawn	6 ft/sqft or 7.48*6=44.88 gpy/sqft	0		0
RBT1.6	Toilet 1.6	1280 gpy	0		
RBT3.5	Toilet 3.5	5000gpcy	1	\$200	20000
RBWBICSI	Irrigation Controler	1.7g/sqft/y	0		0
RBGWLL	Greywater Irrigation	14,565 gpy	0		0
			3	\$400.00	30200

Additional efforts to reduce water consumption system wide include:

Education:

- Staff is working with teachers throughout District to plan conservation workshops & in-class presentations for Fall 2019
- Teachers have access and have been supplied with water related workbooks to use in their curriculum
- Annual Water Conservation Video Contest has ended and winners have been selected. A student who lives within the SLVWD district won the grand prize. To view all of the videos visit:

<https://watersavingtips.org/resources/videocontest/inspiration/2019-winning-videos/>

- 2018 Education Grants **final reports** due beginning April 2019. As reports are received they will be brought to the board for approval. 2019 Education Grant Program has been suspended.

District Water Conservation Programs:

- Conservation staff reordering conservation devices and outreach materials. Currently all water conservation devices in stock. Staff plans to reassess inventory in Summer of 2019.
- Water audit program formation is complete. Staff is currently working with commercial and high water users. Water-wise audits are being offered upon request to all customers. Staff will begin to advertise and add water audit information to the District website in Spring 2019. School District has expressed interest in being involved. Will bring final proposal to Board once received.
- Staff completed two large institutional water user water-wise audits in 2018. Both accounts have begun to implement suggested water saving findings and committed to lower their usage. Large multi-site institute audit complete in March, possible assistance with commercial rebates as upgrades are made to facilities.
- Water conservation staff to completing high usage and leak prevention tagging follow-ups.
- Staff working to update current rebate programs and add additional programs. Rebate updates scheduled for discussion to determine budget for upcoming fiscal year. New programs to be considered or entire program terminated.
- Environmental staff monitoring and mapping invasive species on District properties.
- Staff completing fuel reduction and patrols on District owned properties.
- Water Conservation Staff received Water Efficiency Certification through AWWA.
- 2020 Urban Water Management update will require a thorough reporting of climate mitigation and adaption strategies. Staff is internally tracking District's GHG emissions

PUBLIC OUTREACH

- Staff has created a 2019 Communications Plan which was discussed with ENV Committee at the March meeting.
- The District Facebook page and website are updated regularly (5-7 times per week).
- Staff will begin preparing short summaries of Committee meetings to be posted on Facebook.
- Create content for public outreach such as videos, content for social media and district workshops. Working with various agencies to create content efficiently.
- Staff to attend Felton's farmer market once a month to answer questions, supply water conservation materials, and update customers on District news. Starting on May 28th (featuring District Manager Rick Rogers)
- Staff to attend outreach events throughout District to supply information, answer questions, and improve outreach.

FELTON LIBRARY OUTDOOR EDUCATION PARK

Staff continues to participate as part of the Felton Library Environmental Literacy Programming. Community stakeholders meet monthly to discuss design, outreach & education opportunities for the Nature Discovery Park that will be associated with the new Felton Library.

UPCOMING EVENTS

Felton Farmers Market – May 28th 2:30PM – 6:30PM – staff will be joined by District Manager

CLIMATE ADAPTATION

- The initial phase of completing the Climate Action Plan is to inventory existing carbon outputs from District operations. District plans to use 2012 as the base year and update inventory from 2017 onward.
- Annually summarize all District GHG emissions data to update "Our Carbon Footprint" page on the District website.
- PGE & fuel data for 2018 has been internally inventoried.

Environmental staff has initiated a Climate Action Plan. Staff is seeking training on climate change planning in preparation to write SLVWD's Climate Action Plan

NETWORKING & COLLABORATIONS

SANTA MARGARITA GROUNDWATER AGENCY- <http://smgwa.org/>

Under the Sustainable Groundwater Management Act of 2014, over-drafted groundwater basins need to be sustainably managed by a Groundwater Sustainability Agency (GSA) through the development of a Groundwater Sustainability Plan (GSP). The GSP must be completed by 2022, and the basin must reach sustainability by 2040.

Under development is the Santa Margarita Groundwater Agency (SMGA), a three-member agency comprised of the Scotts Valley Water District, San Lorenzo Valley Water District and the County of Santa Cruz, which will oversee the groundwater management activities of the Santa Margarita Basin Area in Santa Cruz County, California. The Board of Directors of the SMGA includes two Board members from each of the water districts, one from the County, one from the City of Scotts Valley, one from the City of Santa Cruz, one from the Mount Hermon Association Community Water System and two private well owner representatives.

Once a Joint Powers Agreement (JPA) is completed in early 2017, the SMGA will apply to the state Department of Water Resources to become the GSA for the Basin.

SANTA CRUZ INTEGRATED GROUNDWATER MANAGEMENT - <http://www.santacruzirwmp.org/>

The Santa Cruz Integrated Regional Water Management (IRWM) program provides a framework for local stakeholders to manage this region's water and water-related resources. The Santa Cruz IRWM Plan was developed in response to California's IRWM planning initiative to promote an informed, locally-driven, and consensus-based approach to water resources management.

The IRWM Plan includes strategies for developing and implementing policies and projects to ensure sustainable water use, reliable water supply, better water quality, improved flood protection and storm water management, and environmental stewardship. [Find out more.](#)

FIRE SAFE COUNCIL OF SANTA CRUZ COUNTY <https://www.firesafesantacruz.org/>
Staff represents SLVWD and sits on the Board of the Fire Safe Santa Cruz County FSSCC and participates as one of the Directors on the Community Outreach Committee.

The purpose of the Fire Safe Santa Cruz County (FSSCC) is to help residents and landowners prepare for and respond to the effects of wildfire in Santa Cruz County in an effort to maintain the quality of life, property and the environment. FSSCC will assist in coordinating the fire preparedness actions of local residents, landowners/managers, utilities, fire districts, CALFIRE and local fire safe councils. FSSCC will identify and seek funding for the highest fire safety priorities, coordinate work activities, assist neighborhoods in securing equipment and labor, and best position fire-safe entities working in the County for funding opportunities and applications.

FSSCC is organized and operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

FSCSCC is currently seeking applications from community members in need of funding to reduce fire hazards in their neighborhoods. Contact Fire Safe SCC for applications.

WEED MANAGEMENT AREA OF SANTA CRUZ (WMA)

The Weed Management Area of Santa Cruz (WMA) meets 4 times annually. The group is working on the Strategic Plan, and prioritizing efforts for Santa Cruz County, and working to acquire resources to achieve the goal of fighting invasive species that impact biodiversity. The WMA will continue its use of the Calfora Observer app to allow for real time mapping which will allow land managers to monitor invasive and non-invasive plant life. As the WMA develops it is shifting its goals to better support member's needs; such as invasive removal, invasive plant prevention, engaging the community to be better stewards and collaborating to share information, and resources to protect biodiversity. On 01/08/19 the WMA held its fall quarter meeting. Networking, discussion of current invasive species and invasive removal practices were discussed. Ken Moore presented as special guest. The next meeting will focus on glyphosate and its uses for controlling invasive plant species.

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 is 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.

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.

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. Meeting held quarterly or monthly depending on activity level. Planned meeting for June 2019 following Board decision.

COMPLETION REPORTS 2019

Public Engagement:

Completed the three-part Educational Series “Understanding Our Water” for Santa Margarita Groundwater Management Agency.

January 12: Land Use and Water: How much does growth matter?

February 9: Water Budgets: How do we balance all needs?

March 9: Managing Groundwater: How can we prepare for an uncertain future?

Environmental Permitting USDA Loan Projects:

Swim Tank \$ 678,000 Hihn Road Pipeline \$ 90,000 Lyon Pipeline \$ 450,000 Worth Lane Pipe \$ 120,000 Sequoia Road Pipe \$ 120,000 Bennett Booster \$ 390,000 Hillside Drive Pipe \$ 240,000 Riverview Drive Pipe \$ 240,000 Two Bar Road Pipe \$ 450,000 Orman Road Pipe \$ 300,000 California Drive Pipe \$ 240,000

California Environmental Quality Act Permitting: (CEQA)

Lyon Pipeline

Sequoia Pipeline

Blue Tank

California Drive Pipeline

Hillside Drive Pipeline

Climate Adaptation:

Climate Registry Green House Gas Inventory of 2017

M E M O

TO: Board of Directors

FROM: District Manager

PREPARED BY: Director of Finance & Business Services

SUBJECT: FINANCE & BUSINESS SERVICES STATUS REPORT

DATE: May 29, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Finance & Business Services Department Status Report.

BACKGROUND:

BUDGET

The budget has continued to be the main focus of the department. This Board meeting will have a large discussion on the budget. It will go back to committee once more and back to the Board again, to hopefully have approval by June 30th.

AUDIT

The District has started the interim testing for the upcoming year-end audit.

CUSTOMER SERVICE SUPPORT

- Customer Service stats and information
- Monthly Consumption by Customer Class
- Weekly Call Log

REVENUE STABILIZATION RATE ANALYSIS

This packet contains the current consumption as compared to the prior 3 year averages for the revenue rate stabilization. As of March 2019 consumption, the cumulative consumption is 1% above the baseline. There are no triggers identified per the revenue stabilization rate policy.

FINANCIAL SUMMARY

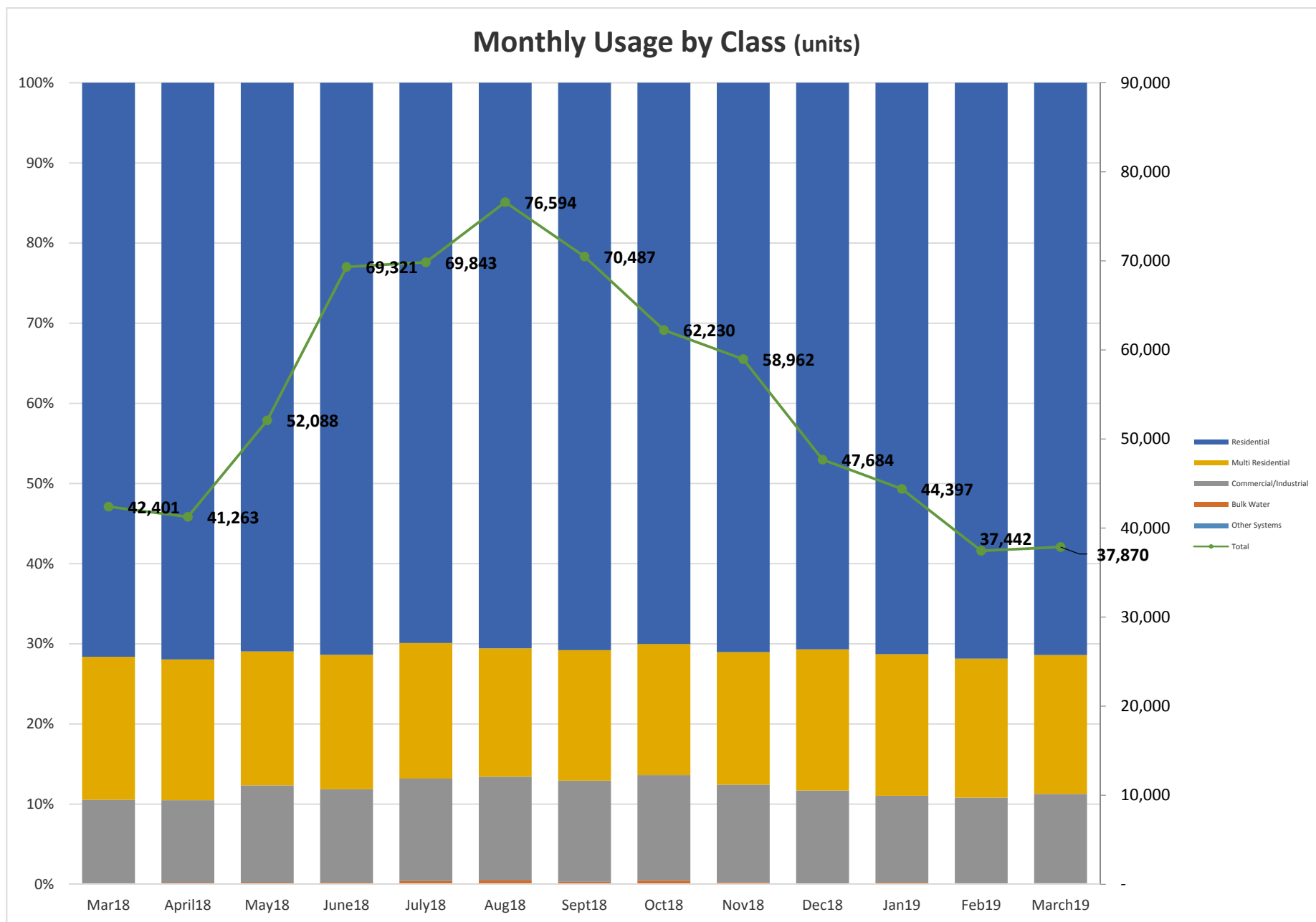
Please see the newly separated Quarterly Financial report.

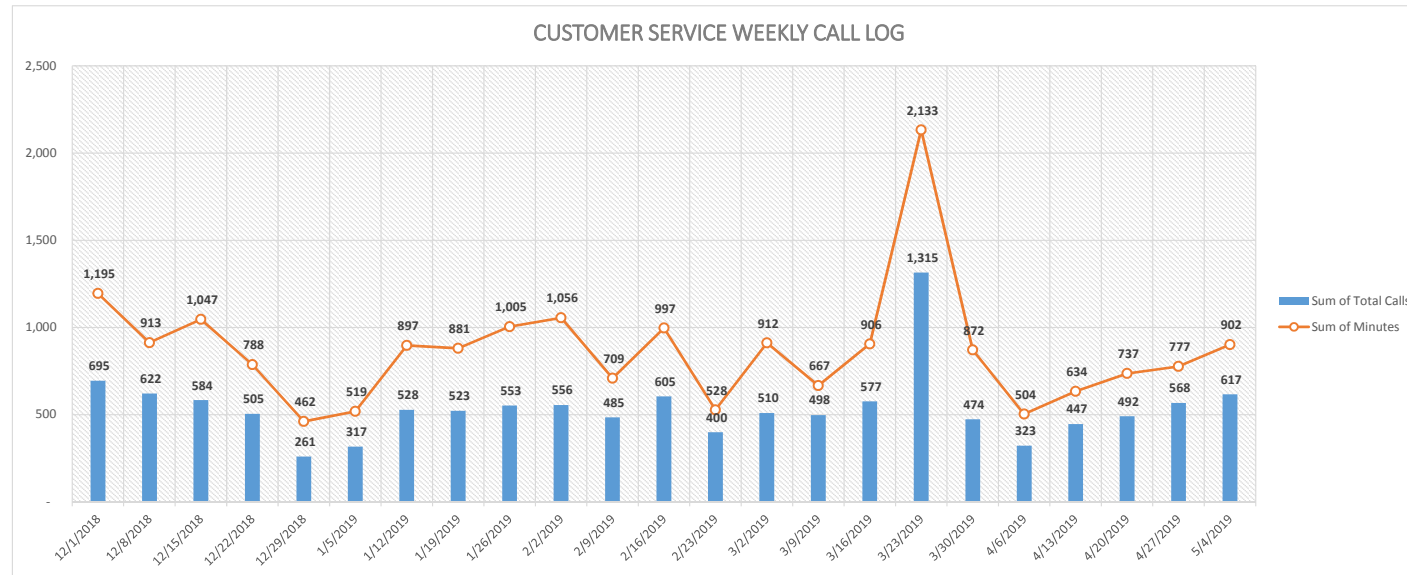
CUSTOMER SERVICE DEPT SUMMARY

	*		*	*					*				*	*		
Monthly Stats:	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18
Cut In/Outs	83	60	38	58	34	63	66	59	77	86	59	68	58	30	42	61
Final Bills	60	37	35	56	32	64	74	64	115	40	66	71	42	34	58	57
Tags	95	238	124	210	157	191	158	206	275	176	121	232	72	312	198	194
Turn-offs	35	19	34	38	25	26	42	32	36	22	23	25	29	24	32	26
Online / Going Green [1]																
<i>As of 5/8/2019</i>																
Online Sign-ups	4,240	4,184	4,120	4,078	4,033	3,980	3,938	3,883	3,839	3,779	3,726	3,680	3,636	3,599	3,543	3,499
E-Bills	1,522	1,413	1,378	1,356	1,326	1,302	1,284	1,260	1,238	1,210	1,193	1,174	1,157	1,145	1,120	1,092
Auto Pay	2,725	2,706	2,659	2,716	2,673	2,638	2,603	2,553	2,509	2,492	2,463	2,445	2,427	2,386	2,350	2,316

* Due to timing, had abnormal tag periods

[1] Please note these numbers are slightly higher than actuals being utilized. When a person closes their account, they typically leave their online account active for a while for their own personal records. We currently do not have an easy way to break down to only active customers.





Week Ending	Incoming Calls		Outgoing Calls		Total Calls		Weekly Notes
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes	
12/1/2018	401	889	294	306	695	1,195	Turn offs & Tags, Main Break: Blue Ridge Road, 335 Vista Terrace, 381 Middleton Dr, 1463 Two Bar #5, 9095 Glen Arbor Rd.
12/8/2018	330	618	292	295	622	913	Turn offs, Main Breaks: hwy 9 & Graham Hill Rd., 6630 Hwy 9, 6706 hwy 9, 11247 hwy 9, Lorenzo Ln & Hwy 9, 15610 Hwy 9, 10990 Riverside Rd., California Dr. East Creek Bridge, 261 Main St., 730 Sugar Pine Rd., Sunnyside & Main St., 10405 Lake Blvd.,
12/15/2018	350	757	234	289	584	1,047	Tags, Main Break: 6 Ridgewood Dr.
12/22/2018	288	580	217	208	505	788	Turn offs, Main Breaks: 9460 Sunnyside, 305 Reynolds Dr., Across the St. from 10825 Lake Blvd.
12/29/2018	202	411	59	51	261	462	15965 Kings Creek Rd., 200 Caledonium Ave., 11101 Sequoia Ave., 8937 Glen Arbor Rd. (closed 2 days)
1/5/2019	240	449	77	70	317	519	Tags, Main Breaks: 10926 Sequoia Ave. (closed 2 days)
1/12/2019	319	679	209	217	528	897	Turn offs, Main Breaks: Quail 4A Well, 8945 Redwood Dr., 8255 Oak Ave., 9695 Live Oak Ave., Road Work; 1090 Pine Drive
1/19/2019	317	704	206	176	523	881	Tags, Main Breaks; 1160 Lakeside Dr., Water Line Replacement.
1/26/2019	314	765	239	240	553	1,005	Turn offs, Main Breaks; 10641 Visitar St., 225 Band Rd.
2/2/2019	318	869	238	186	556	1,056	Tags, (closed 1 day), Main Breaks; 13515 West Park Ave., 334 More Dr., 5765 Hillside Dr., 11844 Sunset Ct., 9545 Central Ave.
2/9/2019	304	566	181	143	485	709	Turn off, Main Breaks: 167 Russell Ave., 1501 Caledonia Ave., Road Work: 10497-10495 Vera Ave.
2/16/2019	360	763	245	233	605	997	Tags, Main Breaks: 325 Capelli Dr., 1200 Dundee Ave., 8035 Fernwood, West of 949 Brookside Way, Country Club Dr. & Jackson Ave., 10405 Lake Blvd.
2/23/2019	224	414	176	114	400	528	Turn off, Main Breaks: 555 Cook Wy., 8297 Hermosa Ave., 11866 Van Allen Rd.
3/2/2019	323	737	187	176	510	912	Tags, Main Breaks: 581 La Cuesta Dr., 288 Douglas Ave., 135 Glen Lomond Ln., Drainage from storm.
3/9/2019	281	540	217	126	498	667	Turn off, Main Breaks: 221 Lake St.
3/16/2019	352	653	225	254	577	906	Tags, Main Breaks: 340 Manzanita Ave., 136 Daffodil Hill, 206 Crecent & River, 10707 West Dr., 111 Royal Oak Ct., 260 Scenic Way, 403 Meadow Dr., 396 Meadow Dr.
3/23/2019	836	1,644	479	489	1,315	2,133	Turn offs, Main Breaks: 15000 Two Bar Rd., 13800 Bear Creek Rd., 405 Hoot Owl Way, 575 Ralston Ridge, 630 Manzanita Ave., Pine St., 10982 Sequoia Ave.
3/30/2019	329	688	145	184	474	872	Tags, Main Breaks: 213 Spreading Oak Dr., 190 Mesa Dr., 635 Sunset Rd.,
4/6/2019	227	416	96	88	323	504	Turn off, Main Breaks: 10580 CA-9/Blake Hammond Manor
4/13/2019	262	483	185	151	447	634	Main Breaks: 822 River Dr., 981 Madrona Dr., 12120 Coleman Ave., 230 Apple Knoll, 10235 California Dr., 135 Madrone Way
4/20/2019	318	567	174	170	492	737	Tags, Main Breaks: , Riverside & Annies Wy., 10825 Lake Blvd., 635 Sunset Rd., 206 Madrona, 135 Madrona, Spreading Oak Dr., corner of Janita Rd. & Appleknoll, 135 Madrone Way, 635 Sunset Rd., Love Creek Rd., Sinic Way & Hillcrest.
4/27/2019	332	608	236	169	568	777	Turn off, Main Breaks: Mt Herman & Graham Hill, 170 Brier Dr. 225 Brier Dr., Shiloh Ct., Russle, 345 Woodland Dr.
5/4/2019	406	730	211	171	617	902	Tags, Main Breaks: 211 Camino Sinuoso, 135 Scenic Way.

REVENUE STABILIZATION RATE ANALYSIS FY1819

In accordance with the District's Revenue Stabilization Rates Policy & Procedures, the District Manager shall provide the Board of Directors with the average units of water sales (by month) for the rolling previous three years, which will serve as the baseline against which current annual sales to date will be compared. If the District Manager determines that budget-year water sales (in units) to date, and corresponding revenue, is more than 10% below expected year-to-date levels (based on monthly averages over the previous three years), the District Manager shall notify, at a public meeting, the Board of Directors of this determination at or before the next regularly scheduled Board meeting. For more information, please refer to the District's full Policy & Procedures.

MONTHLY CONSUMPTION IN UNITS BY FISCAL YEAR (BASELINE)

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
FY1516	66,779	64,961	69,609	60,022	49,837	41,773	44,025	37,290	42,433	43,153	48,328	68,129	636,340
FY1617	74,199	73,414	71,825	59,518	41,777	45,698	45,401	37,667	41,173	42,898	52,932	68,388	654,889
FY1718	81,254	78,331	76,259	65,658	58,601	42,693	48,947	40,431	42,401	41,263	52,088	69,321	697,247
3 YR AVERAGE (BASELINE)	74,077	72,235	72,564	61,733	50,072	43,388	46,124	38,463	42,002	42,438	51,116	68,613	662,826

ACTUAL FY1819 CONSUMPTION

FY1819	69,843	76,594	70,487	62,230	58,962	47,684	44,397	37,442	37,870				505,509
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CUMULATIVE ANALYSIS

% Above or Below Average	-6%	6%	-3%	1%	18%	10%	-4%	-3%	-10%				
Cumulative %	-6%	0%	-1%	-1%	2%	3%	2%	2%	1%				

NOTES:

Consumption is cumulatively slightly above the prior three year average baseline. As of March 2019 consumption, the cumulative consumption is 1% above the baseline. There are no triggers identified per the revenue stabilization rate policy.

Fiscal Year 2018/2019

Third Quarter Financial Summary

Management's Discussion and Analysis (MDA)

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.

Operations Net Results

For the three months ended March 31, 2019, the District had an operating income of \$410K. Quarterly operating revenue was \$2.1M with operating expenses of \$1.7M. This brings YTD operating income to \$2.1K. The first 6 months of the year typically have higher consumption and the remaining quarters have lower consumption. Consumption was lower than the average for this quarter. For the cumulative 9 months, consumption is 1% above the prior three year average. With the rate structure change, consumption plays a large part in operating revenue fluctuations. Consumption is still expected to be in line, or slightly above, the budgeted 650,000 units.

Operating Revenue

Quarterly operating revenue of \$2.1M is in line with expectations. January, February and March had usage of 44.4K, 37.4K and 37.9K units of water billed, respectively.

Q3 CY compared to Q3 PY had a decrease of \$12.5K, this is due to Q3 CY having slightly lower consumption than prior year, offset with the new rates in effect.

YTD (9 months) revenue of \$7.3M is in line with expectations.

Operating Expenses

Quarterly operating expenses were \$1.7M, or 21% of the annual budget.

Q3 CY compared to Q3 PY had a decrease of \$141K, or 8%. The majority of the fluctuation related to timing issues from the prior quarter. The PY had timing of a couple large bills, such as \$50K health bill, that posted in January, making December look artificially low and January high.

YTD (9 months) operating expenses of \$5.3M is in line with expectations, and is 66% of the full year budget. The year will round out with savings associated mainly with the timing of new hires.

Non-Operating Revenue & Expenses

Below itemizes the different non-operating revenue and expenses of the District as of Q3.

Non-operating Revenue	Q1 Total	Q2 Total	Q3 Total	YTD Total
Lease Reveue	\$ 5,940	\$ 5,940	\$ 5,940	\$ 17,821
Property Taxes	-	393,646	7,712	401,358
Assessment Revenue	-	177,971	-	177,971
Rental Income	3,018	5,287	6,712	15,017
Interest	11,057	13,349	25,763	50,170
	<u>\$ 20,016</u>	<u>\$ 596,194</u>	<u>\$ 46,127</u>	<u>\$ 662,337</u>

Non-operating Expenses	Q1 Total	Q2 Total	Q3 Total	YTD Total
Interest Expense	\$ 12,270	\$ 3,993	\$ 59,898	\$ 76,162

Debt Obligations

Below itemizes current debt obligations of the District as of Q3. Some of the debt obligations are solely funded from assessments and not paid out of the general fund.

	Balance 2018	Additions	Payments	Balance 2019
Felton Loan	\$ 1,502,664		\$ 75,086	\$ 1,427,578
Refunding Bond	1,845,823		666,015	1,179,808
Olympia SRF Loan	1,527,028		32,494	1,494,534
Other Loans	374,467		40,990	333,477
Probation Tank Loan	-	2,000,000		2,000,000
	<u>\$ 5,249,982</u>	<u>\$ 2,000,000</u>	<u>\$ 814,585</u>	<u>\$ 6,435,397</u>

Capital Projects & Expenditures

Below itemizes the Q3 capital expenditures that have been spent. Please note if any projects used in-house labor, these amounts have may not yet be allocated to the projects. In Q3 there were approximately \$640K in capital expenditures, varying across the board for multiple projects. Paso Well 6, Blue tank replacement, Probation Tank, and SCADA System. This quarter also saw more expenditures for the Lompico Assessment District for engineering on the three main tanks and PRV stations.

PROJECT LISTING OF ADDITIONS TO CIP

FUND	PROJECT	FY1718 BALANCES	Q1 FY1819 ADDITIONS	Q2 FY1819 ADDITIONS	Q3 FY1819 ADDITIONS	Q4 FY1819 ADDITIONS	PROJECT TOTAL
02	BCEWW IMPROVEMENTS / CAP-1617001A	\$ 62,472.12	\$ 6,135.00	\$ 14,645.00	\$ 45.00	\$ -	\$ 83,297.12
01	WO 823 - PROBATION TANK / CAP-1516002A	\$ 379,230.50	\$ 62,489.61	\$ 100,876.65	\$ 20,891.74	\$ -	\$ 563,488.50
01	SWIM TANK DESIGN / CAP-1516003A	\$ 86,439.64	\$ -	\$ -	\$ -	\$ -	\$ 86,439.64
01	WO 272/549 - LYON WATER TREATMENT PLANT ACCESS RD REPAIR	\$ 107,381.57	\$ -	\$ 5,290.56	\$ 5,522.12	\$ -	\$ 118,194.25
01	LOST ACRES WATER TANK PROJECT	\$ 7,416.40	\$ -	\$ -	\$ -	\$ -	\$ 7,416.40
01	WO 521 - BLUE TANK REPLACEMENT PROJECT / CAP-1718001A	\$ 49,766.24	\$ 9,168.00	\$ 11,250.86	\$ 123,349.82	\$ -	\$ 193,534.92
01	WO 411 - FELTON METER CHANGE OUT PROJECT	\$ 219,863.06	\$ 11,125.46	\$ 2,135.61	\$ 30,473.32	\$ -	\$ 263,597.45
01	WO 358 - COMBINE SPRINGS RAW WATER LINE	\$ 95,288.66	\$ 75.75	\$ 9,921.07	\$ -	\$ -	\$ 105,285.48
01	WO 550 - HIGHWAY 9/WESTERN AVE 6" MAIN REPAIR	\$ 57,938.55	\$ 101,883.74	\$ -	\$ -	\$ -	\$ 159,822.29
01	WO 280 - FALL CREEK INTAKE FEMA	\$ 62,353.53	\$ 35,861.97	\$ 24,938.82	\$ 1,748.51	\$ -	\$ 124,902.83
01	WO 525 - LOMPICO SERVICE LINE REPLACEMENT	\$ 24,287.87	\$ 4,915.82	\$ 10,387.39	\$ 3,459.36	\$ -	\$ 43,050.44
01	WO 814 - PASO WELL 6 REPLACEMENT	\$ 22,950.32	\$ 44,521.78	\$ 391,794.95	\$ 178,207.56	\$ -	\$ 637,474.61
01	WO 815 - PASO WELL 7 REHABILITATION	\$ 88,548.46	\$ 26,789.58	\$ 6,613.03	\$ 40,721.55	\$ -	\$ 162,672.62
01	WO 837 - MAIN PRV STATION REPLACEMENTS	\$ 6,528.12	\$ 2,335.00	\$ 14,317.65	\$ 11,008.75	\$ -	\$ 34,189.52
01	WO 901 - GENERAL METER CHANGE OUTS	\$ 36,432.52	\$ 9,326.09	\$ 22,212.32	\$ 16,756.30	\$ -	\$ 84,727.23
01	DISTRICT TWO WAY RADIO SYSTEM	\$ 59,626.24	\$ -	\$ -	\$ -	\$ -	\$ 59,626.24
01	WO 950 - USDA LOAN	\$ 118,442.43	\$ 128,093.49	\$ 27,214.62	\$ 18,058.18	\$ -	\$ 291,808.72
01	NEW METER SETS	\$ -	\$ -	\$ 605.05	\$ 242.97	\$ -	\$ 848.02
01	GATE OPENER - OPERATIONS BUILDING	\$ -	\$ 4,080.00	\$ 3,500.00	\$ -	\$ -	\$ 7,580.00
01	WO 1208 - LEWIS TANK	\$ -	\$ -	\$ 8,688.67	\$ 6,602.30	\$ -	\$ 15,290.97
01	WO 1209 - MADRONE TANK	\$ -	\$ -	\$ 8,688.67	\$ 6,602.30	\$ -	\$ 15,290.97
01	WO 1210 - KASKI TANK	\$ -	\$ -	\$ 8,688.67	\$ 6,602.29	\$ -	\$ 15,290.96
01	VEHICLE #234 - DISTRIBUTION	\$ -	\$ -	\$ 44,498.69	\$ -	\$ -	\$ 44,498.69
01	VEHICLE #236 - WATER TREATMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
01	VEHICLE #238 - DISTRIBUTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
01	VEHICLE #240 - FINANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
01	WO 970 - SYSTEM WIDE SCADA UPGRADE	\$ -	\$ -	\$ -	\$ 139,906.77	\$ -	\$ 139,906.77
01	WO 1223 - OLY WELL #2 PUMP & MOTOR	\$ -	\$ -	\$ -	\$ 7,682.37	\$ -	\$ 7,682.37
01	WO 1234 - LYON PIPELINE PROJECT	\$ -	\$ -	\$ -	\$ 1,422.37	\$ -	\$ 1,422.37
01	WO 1235 - SEQUOIA AVE PIPELINE PROJECT	\$ -	\$ -	\$ -	\$ 1,422.38	\$ -	\$ 1,422.38
01	WO 1284 - CALIFORNIA DRIVE PIPELINE PROJECT	\$ -	\$ -	\$ -	\$ 50.00	\$ -	\$ 50.00
01	WO 1285 - HIHN ROAD PIPELINE PROJECT	\$ -	\$ -	\$ -	\$ 50.00	\$ -	\$ 50.00
01	WO 1286 - HILLSIDE DRIVE PIPELINE PROJECT	\$ -	\$ -	\$ -	\$ 50.00	\$ -	\$ 50.00
01	GENERATOR REPLACEMENT OPS BUILDING	\$ -	\$ -	\$ -	\$ 7,991.83	\$ -	\$ 7,991.83
01	LOMPICO AD - SCADA SURVEY	\$ -	\$ -	\$ -	\$ 8,256.86	\$ -	\$ 8,256.86
01	SCADA SURVEY	\$ -	\$ -	\$ -	\$ 2,752.28	\$ -	\$ 2,752.28
		\$ 1,484,966.23	\$ 446,801.28	\$ 716,268.28	\$ 639,876.93	\$ -	\$ 3,287,912.72

FUND 01 BEG BALANCE	\$ 2,840,095.29	\$ 3,280,761.57	\$ 3,982,384.85
FUND 01 ADDITIONS	\$ 440,666.28	\$ 701,623.28	\$ 639,831.93
FUND 01 END BALANCE	\$ 3,280,761.57	\$ 3,982,384.85	\$ 4,622,216.78

FUND 02 BEG BALANCE	\$ 62,472.12	\$ 68,607.12	\$ 83,252.12
FUND 02 ADDITIONS	\$ 6,135.00	\$ 14,645.00	\$ 45.00
FUND 02 END BALANCE	\$ 68,607.12	\$ 83,252.12	\$ 83,297.12

OPERATING ANALYSIS - MARCH 2019

REVENUE BY CATEGORY

DESCRIPTION

WATER USAGE
BASIC CHARGES
METERS, PENALTIES & OTHER
SEWER CHARGES
TOTAL OPERATING REVENUE

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 403,805	59.9%	\$ 426,630	\$ (22,826)	-5%	6%	\$ 6,846,000	68%
253,430	37.6%	237,105	16,325	7%	8%	2,986,000	30%
6,775	1.0%	12,761	(5,986)	-47%	8%	90,000	1%
10,013	1.5%	8,344	1,669	20%	10%	100,000	1%
\$ 674,023	100.0%	\$ 684,840	\$ (10,817)	-2%	7%	\$ 10,022,000	100%

REVENUE COMMENTS

Water Usage: March 19 had 11% lower consumption than the prior March.
Sewer Charges: New rates went into effect Dec 18.

EXPENSES BY CATEGORY

DESCRIPTION

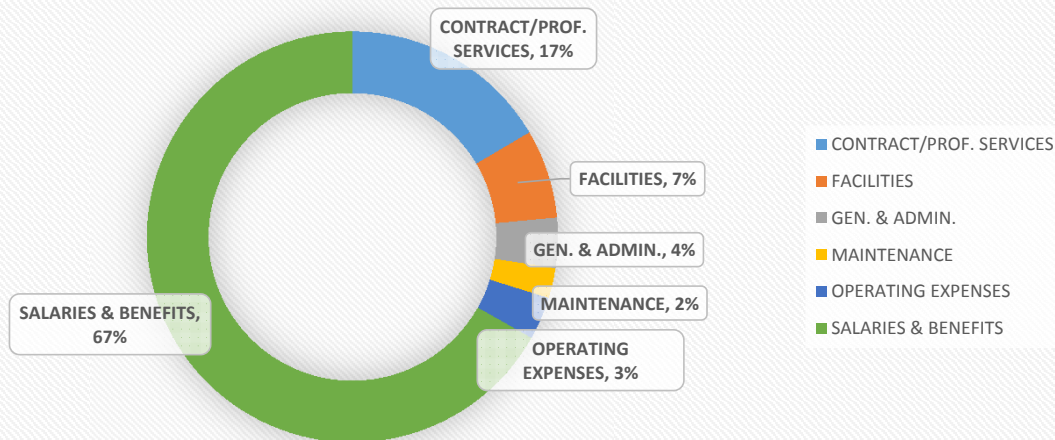
SALARIES & BENEFITS
CONTRACT/PROF. SERVICES
OPERATING EXPENSES
MAINTENANCE
FACILITIES
GEN. & ADMIN.
TOTAL OPERATING EXPENSES

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 346,647	66.8%	\$ 338,304	\$ 8,343	2%	7%	\$ 5,048,246	63%
85,588	16.5%	46,445	39,143	84%	7%	1,316,360	17%
17,479	3.4%	15,369	2,110	14%	4%	420,500	5%
12,297	2.4%	8,782	3,515	40%	7%	184,350	2%
36,244	7.0%	41,112	(4,868)	-12%	6%	571,800	7%
20,460	3.9%	20,886	(426)	-2%	5%	420,400	5%
\$ 518,714	100%	\$ 470,897	\$ 47,816	10%	7%	\$ 7,961,656	100%

EXPENSE COMMENTS

Legal Bills: March19 legal bills were \$16K

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - Q3 FY1819 (JAN-MARCH)

REVENUE BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
WATER USAGE	\$ 1,278,769	61.1%	\$ 1,343,685	\$ (64,916)	-5%	19%	\$ 6,846,000	68%
BASIC CHARGES	760,474	36.3%	711,365	49,108	7%	25%	2,986,000	30%
METERS, PENALTIES & OTHER	22,900	1.1%	24,576	(1,676)	-7%	25%	90,000	1%
SEWER CHARGES	30,044	1.4%	25,032	5,012	20%	30%	100,000	1%
TOTAL OPERATING REVENUE	\$ 2,092,187	100.0%	\$ 2,104,658	\$ (12,471)	-1%	21%	\$ 10,022,000	100%

REVENUE COMMENTS

Water Usage: Consumption for Q3 FY1819 was 9% lower than Q3 FY1718.
Sewer Charges: New rates went into effect for December billings.

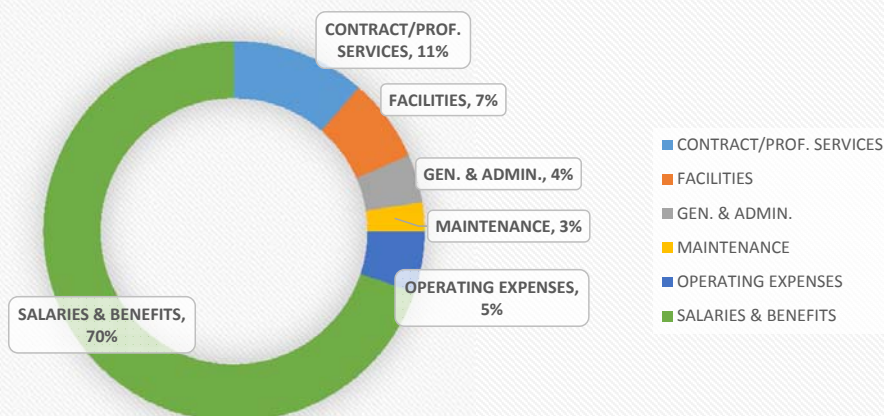
EXPENSES BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 1,174,568	69.8%	\$ 1,185,369	\$ (10,801)	-1%	23%	\$ 5,048,246	63%
CONTRACT/PROF. SERVICES	191,154	11.4%	306,754	(115,600)	-38%	15%	1,316,360	17%
OPERATING EXPENSES	86,457	5.1%	101,580	(15,123)	-15%	21%	420,500	5%
MAINTENANCE	42,243	2.5%	30,561	11,682	38%	23%	184,350	2%
FACILITIES	119,609	7.1%	120,466	(857)	-1%	21%	571,800	7%
GEN. & ADMIN.	68,470	4.1%	78,555	(10,086)	-13%	16%	420,400	5%
TOTAL OPERATING EXPENSES	\$ 1,682,501	100%	\$ 1,823,286	\$ (140,784)	-8%	21%	\$ 7,961,656	100%

EXPENSE COMMENTS

Operating Expenses: PY December had timing issues making it appear low, catches up in January, making this current Q appear low.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING EXPENSE ANALYSIS - Q3

DETAILED EXPENSES BY DEPARTMENT

ADMINISTRATIVE	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 101,277	22%	\$ 327,739	73%	\$ 450,812	
CONTRACT/PROFESSIONAL SERVICES	\$ 95,116	18%	\$ 299,471	56%	\$ 534,000	
OPERATING EXPENSES	\$ 757	76%	\$ 1,799	181%	\$ 993	New copier, YE total expected to be \$4K. Board meeting rental fees also hit here.
MAINTENANCE	\$ 4,313	27%	\$ 11,032	69%	\$ 15,887	
FACILITIES	\$ 7,692	30%	\$ 18,751	73%	\$ 25,817	
GEN. & ADMIN.	\$ 11,698	7%	\$ 144,718	85%	\$ 169,471	Full year of insurance, OK
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -	
CAPITALIZED OVERHEAD	\$ -	0%	\$ -	0%	\$ -	
TOTAL ADMINISTRATIVE	\$ 220,853	18%	\$ 803,510	67%	\$ 1,196,980	

FINANCE	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 268,329	25%	\$ 764,527	71%	\$ 1,075,259	
CONTRACT/PROFESSIONAL SERVICES	\$ 14,319	14%	\$ 70,337	67%	\$ 105,253	
OPERATING EXPENSES	\$ 800	81%	\$ 1,426	144%	\$ 993	Will be over from unexpected equipment failures
MAINTENANCE	\$ 4,366	34%	\$ 11,333	89%	\$ 12,759	
FACILITIES	\$ 238	0%	\$ 931	0%	\$ -	
GEN. & ADMIN.	\$ 46,639	29%	\$ 118,809	74%	\$ 159,667	
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -	
TOTAL FINANCE	\$ 334,692	25%	\$ 967,363	71%	\$ 1,353,931	

ENGINEERING	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 28,961	12%	\$ 77,043	31%	\$ 246,165	Savings from budgeted full year position
CONTRACT/PROFESSIONAL SERVICES	\$ 8,764	58%	\$ 11,646	78%	\$ 15,000	
OPERATING EXPENSES	\$ -	0%	\$ -	0%	\$ -	
MAINTENANCE	\$ -	0%	\$ -	0%	\$ -	
FACILITIES	\$ -	0%	\$ 190	16%	\$ 1,200	
GEN. & ADMIN.	\$ 1,681	26%	\$ 2,323	36%	\$ 6,500	
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -	
TOTAL ENGINEERING	\$ 39,406	15%	\$ 91,202	34%	\$ 268,865	

DISTRIBUTION	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 345,045	23%	\$ 1,099,805	72%	\$ 1,529,876	
CONTRACT/PROFESSIONAL SERVICES	\$ 19,253	14%	\$ 69,670	49%	\$ 142,000	
OPERATING EXPENSES	\$ 28,210	15%	\$ 110,747	59%	\$ 187,000	
MAINTENANCE	\$ 20,822	19%	\$ 63,645	59%	\$ 108,728	
FACILITIES	\$ 43,871	23%	\$ 143,026	75%	\$ 191,387	
GEN. & ADMIN.	\$ 1,926	20%	\$ 5,928	63%	\$ 9,433	
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -	
TOTAL DISTRIBUTION	\$ 459,127	21%	\$ 1,492,820	69%	\$ 2,168,424	

WATERSHED	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 68,450	26%	\$ 200,825	76%	\$ 264,605	
CONTRACT/PROFESSIONAL SERVICES	\$ 14,060	5%	\$ 135,710	49%	\$ 275,360	
OPERATING EXPENSES	\$ -	0%	\$ 861	19%	\$ 4,500	
MAINTENANCE	\$ 4,721	47%	\$ 4,721	47%	\$ 10,000	
FACILITIES	\$ 286	48%	\$ 1,397	233%	\$ 600	Will be over due to conference calls
GEN. & ADMIN.	\$ 4,018	6%	\$ 10,623	16%	\$ 65,600	
TOTAL WATERSHED	\$ 91,535	15%	\$ 354,137	57%	\$ 620,665	

DETAILED EXPENSES BY DEPARTMENT (continued)

SUPPLY & TREATMENT	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 346,060	24%	\$ 1,014,465	71%	\$ 1,438,509	
CONTRACT/PROFESSIONAL SERVICES	\$ 29,027	16%	\$ 95,383	53%	\$ 180,000	
OPERATING EXPENSES	\$ 55,086	27%	\$ 139,932	69%	\$ 204,000	
MAINTENANCE	\$ 8,021	23%	\$ 26,353	76%	\$ 34,753	
FACILITIES	\$ 65,751	19%	\$ 221,359	65%	\$ 341,669	
GEN. & ADMIN.	\$ 3,302	42%	\$ 5,940	75%	\$ 7,944	
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -	
TOTAL SUPPLY & TREATMENT	\$ 507,247	23%	\$ 1,503,431	68%	\$ 2,206,874	

WASTEWATER	Q3 CY ACTUALS	Q3 % of Budget	YTD ACTUALS	YTD % of Budget	ANNUAL BUDGET	Notes
SALARIES & BENEFITS	\$ 16,446	38%	\$ 32,729	76%	\$ 43,020	
CONTRACT/PROFESSIONAL SERVICES	\$ 9,821	15%	\$ 23,363	36%	\$ 64,747	
OPERATING EXPENSES	\$ 1,604	7%	\$ 14,622	64%	\$ 23,014	
MAINTENANCE	\$ -	0%	\$ -	0%	\$ 2,222	
FACILITIES	\$ 1,772	16%	\$ 5,642	51%	\$ 11,128	
GEN. & ADMIN.	\$ -	0%	\$ 29	2%	\$ 1,785	
DEPRECIATION	\$ -	0%	\$ -	0%	\$ -	
TOTAL WASTEWATER	\$ 29,642	20%	\$ 76,386	52%	\$ 145,917	Indirect allocations occur annually

TOTAL OPERATING EXPENSES	\$ 1,682,501	21%	\$ 5,288,849	66%	\$ 7,961,656	
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PRO FORMA FOR AUDIT:

OVERHEAD ABSORPTION [1] \$ (40,213.98) \$ (109,143.20)

[1] Overhead absorption are the direct and indirect capitalized costs associated with an asset the District did internally. For example, a capital pipeline project was constructed by District staff and materials versus hiring an outside contractor. The employees salaries and benefits are considered part of the operating expenses, but then are capitalized as part of the accounting process. These will show up as a favorable off-set for operating expenses in the audit.

OPERATING ANALYSIS - YTD FY1819 (JULY-MARCH)

REVENUE BY CATEGORY

DESCRIPTION

WATER USAGE
BASIC CHARGES
METERS, PENALTIES & OTHER
SEWER CHARGES
TOTAL OPERATING REVENUE

COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 4,918,464	67.5%	\$ 3,900,807	\$ 1,017,657	26%	72%	\$ 6,846,000	68%
2,224,542	30.5%	2,379,097	(154,555)	-6%	74%	2,986,000	30%
61,345	0.8%	72,100	(10,755)	-15%	68%	90,000	1%
81,782	1.1%	75,100	6,682	9%	82%	100,000	1%
\$ 7,286,133	100.0%	\$ 6,427,104	\$ 859,029	13%	73%	\$ 10,022,000	100%

REVENUE COMMENTS

YTD revenues are higher due to the rate increase that went into effect Nov 2018. The change in rate structure is still seen in the Basic Charge shift.

EXPENSES BY CATEGORY

DESCRIPTION

SALARIES & BENEFITS
CONTRACT/PROF. SERVICES
OPERATING EXPENSES
MAINTENANCE
FACILITIES
GEN. & ADMIN.
TOTAL OPERATING EXPENSES

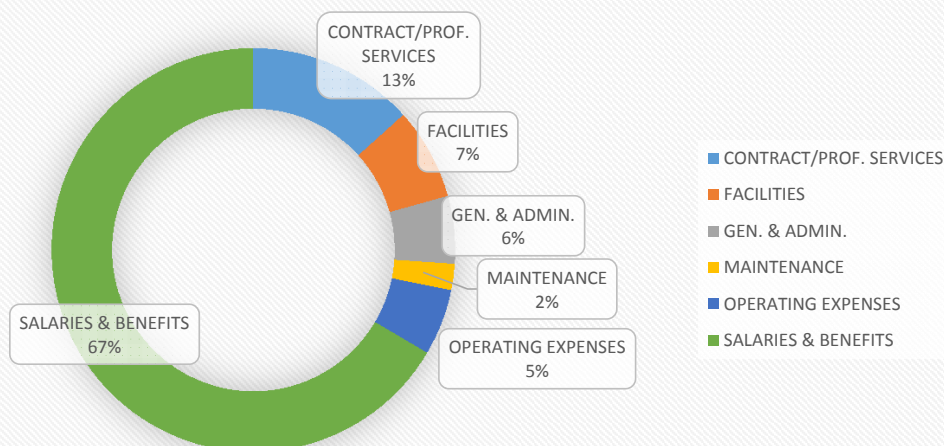
COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
\$ 3,517,132	66.5%	\$ 3,305,620	\$ 211,512	6%	70%	\$ 5,048,246	63%
704,332	13.3%	891,733	(187,401)	-21%	54%	1,316,360	17%
280,401	5.3%	242,212	38,189	16%	67%	420,500	5%
111,118	2.1%	111,368	(249)	0%	60%	184,350	2%
389,269	7.4%	390,788	(1,518)	0%	68%	571,800	7%
286,550	5.4%	289,808	(3,259)	-1%	68%	420,400	5%
\$ 5,288,803	100%	\$ 5,231,529	\$ 57,274	1%	66%	\$ 7,961,656	100%

EXPENSE COMMENTS

For the most part, expenses are tracking similar to the prior year, outside of budgeted increases. \$50K of payroll was related to employee final paychecks.

Legal is running \$110K less than PYTD.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - YTD TREND FY1819**REVENUE BY CATEGORY**

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	YTD	BUDGET	% OF BUD.
WATER USAGE	359,119	777,219	706,435	645,508	636,311	515,103	474,097	400,867	403,805	4,918,464	6,846,000	72%
BASIC CHARGES	237,313	237,200	236,928	245,212	253,599	253,817	253,337	253,706	253,430	2,224,542	2,986,000	74%
METERS, PENALTIES & OTHER	5,250	9,855	6,665	6,135	7,570	2,970	9,315	6,810	6,775	61,345	90,000	68%
SEWER CHARGES	8,344	8,345	8,344	8,344	8,344	10,016	10,018	10,013	10,013	81,782	100,000	82%
TOTAL OPERATING REVENUE	610,027	1,032,619	958,372	905,199	905,824	781,906	746,768	671,396	674,023	7,286,133	10,022,000	73%

EXPENSES BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	YTD	BUDGET	% OF BUD.
SALARY & BENEFITS	514,027	510,140	321,543	327,440	334,286	335,127	486,163	341,758	346,647	3,517,132	5,048,246	70%
CONTRACT/PROF. SERVICES	5,572	48,144	81,763	220,894	70,907	85,897	53,160	52,406	85,588	704,332	1,316,360	54%
OPERATING EXPENSES	11,986	33,476	41,893	32,378	32,244	41,966	48,946	20,032	17,479	280,401	420,500	67%
MAINTENANCE	3,079	10,102	18,770	11,277	10,919	14,728	19,160	10,786	12,297	111,118	184,350	60%
FACILITIES	11,383	31,020	61,400	58,815	51,252	55,790	42,726	40,639	36,244	389,269	571,800	68%
GEN. & ADMIN.	101,568	16,460	31,246	25,456	21,413	21,938	18,171	29,839	20,460	286,550	420,400	68%
TOTAL OPERATING EXPENSES	647,615	649,343	556,615	676,260	521,021	555,446	668,327	495,460	518,714	5,288,803	7,961,656	66%
OPERATING INCOME (LOSS)	(37,589)	383,276	401,756	228,939	384,802	226,460	78,440	175,936	155,309	1,997,330	2,060,344	97%

COMMENTS**REVENUE/EXPENSES:**

Current year to date revenue and expenses are tracking as expected overall. Please refer to the current month analysis for any further detail on revenue or expenses.

GENERAL/PROCESS:

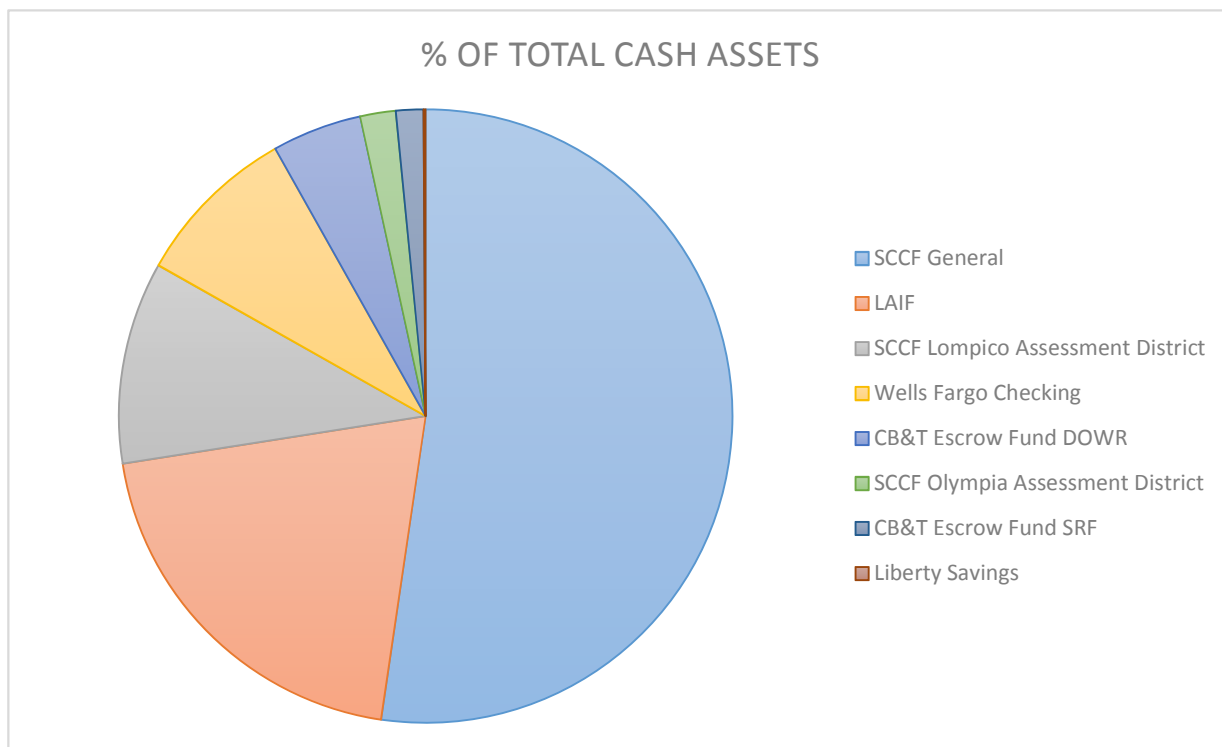
There are annual/one-time expenses paid upfront that could cause individual months to appear skewed or accrual based accounting that will impact June/July more so. An example of this would be some insurances are paid in July, this causes July expenses to appear higher than other months. The District operates on an annual budget and performs accrual based accounting procedures for a hard year end close, this is typical for governmental accounting.

Data is continuously being reviewed, so it is not un-common for a prior report balance to change slightly throughout the year as accounts are reconciled.

CASH BALANCES AS OF

3/31/2019

		<i>Ave Interest Rate</i>
OPERATING ACCOUNTS		
Wells Fargo Checking	\$ 218,731	0.35%
Liberty Savings	\$ 4,515	0.15%
LAIF	\$ 854,565	2.44%
SCCF General	\$ 1,968,735	2.24%
OPERATING BALANCE	\$ 3,046,547	
RESTRICTED ACCOUNTS		
SCCF Lompico Assessment District	\$ 451,945	2.24% <i>For AD Projects</i>
SCCF Olympia Assessment District	\$ 79,738	2.24% <i>For Debt Repayment</i>
SCCF Probation Tank Loan Proceeds	\$ 1,849,438	2.24% <i>Loan Proceeds</i>
CB&T Escrow Fund SRF	\$ 61,041	0.09% <i>For Debt Repayment</i>
CB&T Escrow Fund DOWR	\$ 215,483	0.09% <i>For Debt Repayment</i>
RESTRICTED BALANCE	\$ 2,657,646	



Accounts Payable

Outstanding Invoices

User: KendraNegro
 Printed: 5/8/2019 - 11:12 AM
 Date Type: JE Date
 Date Range: 04/10/2019 to 05/08/2019



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
00001 - ROYAL WHOLESALE ELECTRIC						
01-000-1565	4/19/2019	4/17/2019	7719-644147	00196-10-2019	356.22	PASO 8 REWIRE_WO#814
Total for Vendor 00001 - ROYAL WHOLESALE ELECTRIC:					356.22	
00016 - GREENWASTE RECOVERY, INC						
01-100-5420	5/6/2019	5/1/2019	4084002	00059-11-2019	413.08	TRASH/RECYCLE/YARDWASTE SERVICES_APRIL 2019
Task Label:		Type:	PO Number:	0000101094		
Total for Vendor 00016 - GREENWASTE RECOVERY, INC:					413.08	
00032 - SENSUS USA, INC						
01-200-5200	4/29/2019	4/25/2019	ZA19006189	00274-10-2019	368.76	EQUIP MAINTENANCE_07/01/2019-06/30/2020
Total for Vendor 00032 - SENSUS USA, INC:					368.76	
00047 - SOIL CONTROL LAB						
01-800-5202	4/18/2019	4/16/2019	9030772	00187-10-2019	145.00	WATER ANALYSIS_5 LOCATIONS
Task Label:		Type:	PO Number:	0000101098		
01-800-5202	4/18/2019	4/16/2019	9040100	00187-10-2019	145.00	WATER ANALYSIS_5 LOCATIONS
01-800-5202	4/18/2019	4/16/2019	9040290	00187-10-2019	145.00	WATER ANALYSIS_5 LOCATIONS
01-800-5202	4/25/2019	4/19/2019	9040528	00248-10-2019	145.00	WATER ANALYSIS_5 LOCATIONS
Task Label:		Type:	PO Number:	0000101098		
01-800-5202	5/6/2019	5/1/2019	9040724	00059-11-2019	145.00	WATER ANALYSIS_5 LOCATIONS
Task Label:		Type:	PO Number:	0000101098		
01-800-5202	5/6/2019	5/2/2019	9040897	00059-11-2019	145.00	WATER ANALYSIS_5 LOCATIONS
Task Label:		Type:	PO Number:	0000101098		
Total for Vendor 00047 - SOIL CONTROL LAB:					870.00	
00054 - PACIFIC GAS AND ELECTRIC (ACH)						
01-100-5500	5/3/2019	5/1/2019	519_3658024062A	00040-11-2019	675.39	UTILITIES_ADMIN
01-400-5500	5/3/2019	5/1/2019	519_3658024062B	00040-11-2019	7,962.03	UTILITIES_OPS

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00054 - PACIFIC GAS AND ELECTRIC (ACH)						
01-800-5500	5/3/2019	5/1/2019	519_3658024062C	00040-11-2019	14,658.65	UTILITIES_WTP
02-600-5500	5/3/2019	5/1/2019	519_3658024062E	00040-11-2019	249.36	UTILITIES_BCE WASTEWATER
Total for Vendor 00054 - PACIFIC GAS AND ELECTRIC (ACH):					23,545.43	
00058 - IHWW						
01-100-5200	5/2/2019	5/1/2019	05154	00029-11-2019	25.00	BUSINESS HOSTING_MAY
Task Label:		Type:	PO Number:	0000101125		
Total for Vendor 00058 - IHWW:					25.00	
00080 - GRANITE CONSTRUCTION CO						
01-000-1565	5/2/2019	4/23/2019	1568370A	00029-11-2019	253.29	SAND FOR FELTON LIBRARY_WO#1306
01-400-5300	5/2/2019	4/23/2019	1568370B	00029-11-2019	17.17	BASE ROCK FOR MAIN REPAIR
01-000-1565	5/2/2019	4/24/2019	1568698	00029-11-2019	83.67	SAND FOR FELTON LIBRARY_WO#1306
Total for Vendor 00080 - GRANITE CONSTRUCTION CO:					354.13	
00118 - FARMER BROTHERS COFFEE						
01-400-5600	5/6/2019	5/1/2019	69071931	00059-11-2019	227.00	COFFEE SUPPLIES_OPS
Total for Vendor 00118 - FARMER BROTHERS COFFEE:					227.00	
00125 - SCARBOROUGH LUMBER						
01-800-5420	5/2/2019	4/26/2019	333040	00031-11-2019	88.06	KIRBY PLANT_SUPPLIES
01-000-1565	5/2/2019	4/29/2019	333146	00031-11-2019	69.88	FELTON LIBRARY_WO#1306
01-400-5420	5/2/2019	4/25/2019	583063	00031-11-2019	97.10	RESPIRATORS_ABANDON BLDG DAMAGE
01-000-1565	5/2/2019	4/29/2019	583225	00031-11-2019	21.93	GARDEN HOSE_WO#521
01-400-5300	5/6/2019	4/25/2019	332921	00058-11-2019	9.71	PRESSURE GAUGES_OPS
01-400-5300	5/6/2019	4/30/2019	333250	00058-11-2019	5.79	PIPE TEFLON TAPE_OPS
01-800-5600	5/6/2019	5/2/2019	333385	00058-11-2019	41.83	TRASH BAGS_CAN
01-400-5300	5/6/2019	4/30/2019	583237	00058-11-2019	43.13	LOCATOR BATTERIES_OPS
01-400-5401	5/6/2019	4/30/2019	583272	00058-11-2019	194.22	SAFETY CHAPS_HELMET
01-400-5300	5/6/2019	5/1/2019	583312	00058-11-2019	2.48	CHAIN SAW OIL_OPS
Total for Vendor 00125 - SCARBOROUGH LUMBER:					574.13	
00137 - BRINK'S AWARDS						
01-100-5600	5/2/2019	4/23/2019	83968	00029-11-2019	107.00	NAME PLATES & HOLDERS

Vendor	Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00137 - BRINK'S AWARDS:						107.00	
00141 - B & B SMALL ENGINE	01-400-5311	5/6/2019	4/10/2019	416603	00059-11-2019	21.30	SAW SERVICE_OPS
Total for Vendor 00141 - B & B SMALL ENGINE:						21.30	
00142 - SAN LORENZO LUMBER	01-000-1565	4/19/2019	4/16/2019	61-0136629	00196-10-2019	8.09	FELTON LIBRARY PROJECT_WO#1306
	01-000-1565	4/25/2019	4/19/2019	61-0136892	00248-10-2019	16.89	BOLTS_FELTON LIBRARY_WO#1306
	01-400-5300	5/6/2019	4/26/2019	61-0137422	00050-11-2019	4.87	PVC SAW_OPS
Total for Vendor 00142 - SAN LORENZO LUMBER:						29.85	
00147 - EMERSON PROCESS MANAGEMENT	01-000-1565	5/6/2019	4/26/2019	9076218	00060-11-2019	10,404.13	PROBATION TANK CONTROLS-SCADA 30%_WO#1135
	Task Label:		Type:	PO Number:	0000101153		
Total for Vendor 00147 - EMERSON PROCESS MANAGEMENT:						10,404.13	
00168 - SCOTTS VALLEY SPRINKLER	01-400-5300	5/6/2019	4/30/2019	153326	00058-11-2019	169.64	2" CHECK VALVE_OPS
Total for Vendor 00168 - SCOTTS VALLEY SPRINKLER:						169.64	
00265 - COMMUNITY TELEVISION	01-100-5200	4/18/2019	4/15/2019	2650_265	00187-10-2019	770.00	MEETING COVERAGE FOR 03/07 & 03/21
Total for Vendor 00265 - COMMUNITY TELEVISION:						770.00	
00273 - CORELOGIC, INC.	01-200-5200	5/2/2019	4/30/2019	30421236	00029-11-2019	206.00	REALQUEST SERVICES_04/01/19-04/30/19
	Task Label:		Type:	PO Number:	0000101090		
Total for Vendor 00273 - CORELOGIC, INC.:						206.00	
00290 - CONTRACTOR COMPLIANCE & MONIT	01-000-1565	5/6/2019	4/25/2019	11304	00060-11-2019	708.33	LABOR COMPLIANCE SERVICES_WO#814
Total for Vendor 00290 - CONTRACTOR COMPLIANCE & MONIT:						708.33	
00329 - GRAINGER							

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00329 - GRAINGER						
01-800-5401	4/29/2019	4/23/2019	9154092945	00280-10-2019	60.06	LAB APRONS_WTP
Total for Vendor 00329 - GRAINGER:					60.06	
00342 - BRASS KEY LOCKSMITH						
01-400-5200	5/2/2019	4/24/2019	950842	00029-11-2019	190.00	DISTRICT LOCKS_OPS
01-400-5200	5/6/2019	4/25/2019	950852	00060-11-2019	59.66	LOCKS_OPS
01-400-5200	5/6/2019	4/25/2019	950853	00060-11-2019	16.00	LOCKS_OPS
Total for Vendor 00342 - BRASS KEY LOCKSMITH:					265.66	
00343 - ERNIE'S SERVICE CENTER						
01-400-5410	4/25/2019	4/19/2019	76370	00248-10-2019	74.99	SERVICE FOR VE-228_WO#693
01-400-5410	4/29/2019	4/24/2019	76519	00280-10-2019	164.91	BATTERY_VE-230_WO#694
01-800-5410	5/6/2019	4/30/2019	76469	00059-11-2019	568.67	VEHICLE SERVICE_VE-#325_WO#94
Total for Vendor 00343 - ERNIE'S SERVICE CENTER:					808.57	
00398 - WATSONVILLE METAL CO.,INC						
01-400-5300	5/6/2019	5/1/2019	8425372	00050-11-2019	600.00	DUMPSTER SERVICES_05/01/19
Total for Vendor 00398 - WATSONVILLE METAL CO.,INC:					600.00	
00399 - VISION SERVICE PLAN - (CA)						
01-100-5142	5/6/2019	4/19/2019	806740454A	00050-11-2019	28.44	VISION INSURANCE_ADMIN
01-200-5142	5/6/2019	4/19/2019	806740454B	00050-11-2019	173.80	VISION INSURANCE_FINANCE
01-300-5142	5/6/2019	4/19/2019	806740454C	00050-11-2019	11.14	VISION INSURANCE_ENG
01-400-5142	5/6/2019	4/19/2019	806740454D	00050-11-2019	333.74	VISION INSURANCE_OPS
01-500-5142	5/6/2019	4/19/2019	806740454E	00050-11-2019	38.58	VISION INSURANCE_ENVIRON
01-800-5142	5/6/2019	4/19/2019	806740454F	00050-11-2019	197.78	VISION INSURANCE_WTP
Total for Vendor 00399 - VISION SERVICE PLAN - (CA):					783.48	
00450 - EUROFINS						
01-800-5202	5/6/2019	5/2/2019	L0449728	00059-11-2019	60.00	WATER ANALYSIS_PASO 5A_PASO 7
Task Label:		Type:	PO Number:	0000101092		
Total for Vendor 00450 - EUROFINS:					60.00	
00505 - DELL MARKETING LP						
01-300-5310	4/29/2019	4/18/2019	10310431749	00280-10-2019	1,725.47	DISTRICT ENGINEER COMPUTER
Task Label:		Type:	PO Number:	0000101208		

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00505 - DELL MARKETING LP:					1,725.47	
00589 - ALLARD'S SEPTIC SERVICE						
01-800-5200	4/29/2019	4/20/2019	7732	00280-10-2019	300.00	SEPTIC SERVICES_APRIL
Task Label:		Type:	PO Number:	0000101135		
Total for Vendor 00589 - ALLARD'S SEPTIC SERVICE:					300.00	
00599 - WEX BANK						
01-200-5410	5/6/2019	4/30/2019	58965304A	00060-11-2019	1,012.72	GAS_FINANCE
01-400-5410	5/6/2019	4/30/2019	58965304B	00060-11-2019	3,262.65	GAS_OPS
01-800-5410	5/6/2019	4/30/2019	58965304C	00060-11-2019	2,599.36	GAS_WTP
Total for Vendor 00599 - WEX BANK:					6,874.73	
00721 - UNITED SITE SVCS.,INC						
01-400-5200	5/6/2019	4/29/2019	8401080	00050-11-2019	204.35	QUAIL 5 TOILET SERVICE AND CLEANING_04/27/19-05/24/19
Task Label:		Type:	PO Number:	0000101101		
Total for Vendor 00721 - UNITED SITE SVCS.,INC:					204.35	
00727 - ULINE SHIPPING SUPPLIES						
01-800-5300	5/6/2019	4/23/2019	107972514	00060-11-2019	162.44	GLOVES_WTP
Total for Vendor 00727 - ULINE SHIPPING SUPPLIES:					162.44	
00729 - ALPHA ANALYTICAL LABS						
02-600-5202	4/19/2019	4/19/2019	9043584	00196-10-2019	1,032.00	LAB FEES-ANALYTICAL SERVICES
Task Label:		Type:	PO Number:	0000101087		
02-600-5202	5/6/2019	5/3/2019	9051240	00059-11-2019	430.00	LAB FEES-ANALYTICAL SERVICES
Task Label:		Type:	PO Number:	0000101087		
Total for Vendor 00729 - ALPHA ANALYTICAL LABS:					1,462.00	
00746 - SCOTTS VALLEY BANNER						
01-100-5640	4/18/2019	4/12/2019	60838	00187-10-2019	265.00	COMMUNITY CHATS_RUN DATE 04/12/19
01-100-5640	4/18/2019	4/12/2019	60839	00187-10-2019	265.00	FLUSHING NOTICE_RUN DATE 04/12/19
Total for Vendor 00746 - SCOTTS VALLEY BANNER:					530.00	
00760 - DYNAMIC PRESS						
01-300-5600	5/2/2019	4/24/2019	24085	00029-11-2019	81.17	BUSINESS CARDS FOR DARREN_ENG

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00760 - DYNAMIC PRESS						
01-300-5600	5/2/2019	4/26/2019	24095	00029-11-2019	68.82	BUSINESS CARDS FOR DARREN_ENG
Total for Vendor 00760 - DYNAMIC PRESS:					149.99	
00768 - USA BLUEBOOK						
01-800-5300	4/18/2019	4/12/2019	866906	00187-10-2019	1,236.06	DRAWDOWN TAPE/WATER FILTERS
01-800-5300	4/18/2019	4/16/2019	868915	00187-10-2019	-1,236.06	PO#101186_CREDIT FOR RETURNED PRODUCT
01-800-5300	4/19/2019	4/16/2019	868742	00196-10-2019	943.79	FTI TBP-40 DRUM PUMP TUBE 40' WTP
01-800-5300	4/19/2019	4/17/2019	870061	00196-10-2019	175.33	AMIAD FILTER 1' MNPT_100 MICRON SCREEN
01-800-5300	4/25/2019	4/18/2019	871647	00248-10-2019	96.37	HYDRANT ADAPTER_WTP
Total for Vendor 00768 - USA BLUEBOOK:					1,215.49	
00788 - COMCAST						
01-800-5510	5/6/2019	4/26/2019	42619_0987198	00050-11-2019	153.29	INTERNET_195 KIRBY STREET
01-400-5510	5/7/2019	5/1/2019	5119_1236033	00070-11-2019	174.81	INTERNET_215 BLACKSTONE DRIVE
01-800-5510	5/7/2019	5/1/2019	5119_1368455	00070-11-2019	113.38	INTERNET_345 QUAIL TERRACE
Total for Vendor 00788 - COMCAST:					441.48	
00944 - PDNC, INC.						
01-100-5200	5/2/2019	5/1/2019	3463	00029-11-2019	652.68	MONTHLY SERVER SUPPORT & ARCHIVE BACKUP STORAGE
01-100-5200	5/6/2019	4/30/2019	3438	00059-11-2019	64.07	FIELD TECHNICIAN_SERVER RESET
Total for Vendor 00944 - PDNC, INC.:					716.75	
01004 - PRO FLOW PLUMBING						
01-100-5200	4/19/2019	4/15/2019	041519_1004A	00196-10-2019	822.50	BACKFLOW TESTING_KIRBY TREATMENT_365 MADRONE AVE
01-200-5200	4/19/2019	4/15/2019	041519_1004B	00196-10-2019	117.50	BACKFLOW TESTING_SURPLUS WATER AREA
02-600-5200	4/19/2019	4/15/2019	041519_1004C	00196-10-2019	235.00	BACKFLOW TESTING_LEACHFIELD_INLET PUMP
Total for Vendor 01004 - PRO FLOW PLUMBING:					1,175.00	
10005 - ICMA RETIREMENT C/O M & T RETIREMENT CORP 457						
01-000-2208	5/8/2019	5/7/2019	129027	00069-11-2019	3,357.20	RETIREMENT WITHHOLDING_PP ENDING 04/24/19
Total for Vendor 10005 - ICMA RETIREMENT C/O M & T RETIREMENT CORP 457:					3,357.20	
10025 - BADGER METER, INC						
01-200-5200	5/2/2019	4/30/2019	80032221	00029-11-2019	1,532.58	BEACON SERVICES_APRIL2019

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
10025 - BADGER METER, INC						
Task Label:		Type:	PO Number:	0000101206		
Total for Vendor 10025 - BADGER METER, INC:					1,532.58	
10069 - NATE GILLESPIE						
01-800-5301	5/6/2019	4/26/2019	042619_10069	00050-11-2019	5.77	ICE FOR SAMPLES_WTP
Total for Vendor 10069 - NATE GILLESPIE:					5.77	
10072 - WATER SYSTEMS CONSULTING, INC						
01-000-1565	5/6/2019	2/28/2019	3690	00050-11-2019	12,126.69	USDA PHASE 1 FUNDING_WO#950
Total for Vendor 10072 - WATER SYSTEMS CONSULTING, INC:					12,126.69	
10158 - NOSSAMAN, LLP						
01-100-5210	5/6/2019	4/15/2019	494454A	00060-11-2019	16,833.00	FEES FOR PROFESSIONAL SERVICES THROUGH_03/31/19
01-100-5210	5/6/2019	4/15/2019	494454B	00060-11-2019	492.17	DISBURSEMENTS MADE TO YOUR ACCOUNT THROUGH_03/31/19
Total for Vendor 10158 - NOSSAMAN, LLP:					17,325.17	
10190 - SANTA MARGARITA GROUNDWATER AGENCY						
01-100-5200	4/29/2019	4/24/2019	1008_10190	00280-10-2019	84,092.48	SERVICES
Total for Vendor 10190 - SANTA MARGARITA GROUNDWATER AGENCY:					84,092.48	
10214 - MIKE PODLECH						
01-500-5200	5/6/2019	5/2/2019	2100	00050-11-2019	1,417.50	CONJUNCTIVE USE_SERVICES THRU 04/01/19--04/30/19
Task Label: EXP-1718001A		Type: E	PO Number:			
Total for Vendor 10214 - MIKE PODLECH:					1,417.50	
10245 - LOGMEIN USA, INC,						
01-100-5630	5/2/2019	4/30/2019	1207569303	00029-11-2019	53.46	AUDIO SERVICE_03/31/19-04/29/19
Task Label:		Type:	PO Number:	0000101201		
Total for Vendor 10245 - LOGMEIN USA, INC,:					53.46	
UB*00626 - CARRIE MAYBERRY						
01-000-2100	5/6/2019	5/6/2019		00039-11-2019	75.00	Refund Check
Task Label:		Type:	PO Number:			

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor UB*00626 - CARRIE MAYBERRY:					75.00	
Report Total:					176,671.32	

Accounts Payable

Checks by Date - Detail by Check Number

User: KendraNegro
Printed: 5/8/2019 11:11 AM



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
ACH	10188 041119	STATE BOARD OF EQUALIZATION SA SALES TAX 2018	04/11/2019		401.00
Total for this ACH Check for Vendor 10188:				0.00	401.00
ACH	00054	PACIFIC GAS AND ELECTRIC	04/18/2019		
	419_3658024062A	UTILITIES_MARCH2019_ADMIN			599.98
	419_3658024062B	UTILITIES_MARCH2019_OPS			8,310.31
	419_3658024062C	UTILITIES_MARCH2019_WTP			14,130.53
	419_3658024062D	UTILITIES_MARCH2019_BCE WASTEWATER			211.33
Total for this ACH Check for Vendor 00054:				0.00	23,252.15
ACH	00178	CALPERS	05/01/2019		
	MAY 2019.1	HEALTH INSURANCE			2,367.94
	MAY 2019.2	HEALTH INSURANCE			12,988.26
	MAY 2019.3	HEALTH INSURANCE			768.25
	MAY 2019.4	HEALTH INSURANCE			17,450.26
	MAY 2019.5	HEALTH INSURANCE			2,765.70
	MAY 2019.6	HEALTH INSURANCE			900.00
	MAY 2019.7	HEALTH INSURANCE			10,107.82
	MAY 2019.8	HEALTH INSURANCE			122.70
	MAY 2019.9	HEALTH INSURANCE			1,856.53
Total for this ACH Check for Vendor 00178:				0.00	49,327.46
17030	00729	ALPHA ANALYTICAL LABS	04/11/2019		
	9034299	LAB FEES-ANALYTICAL SERVICES			912.00
	9034752	LAB FEES-ANALYTICAL SERVICES			110.00
Total for Check Number 17030:				0.00	1,022.00
17031	00300	APOLLO DRAIN SERVICE	04/11/2019		
	1036	SEWER LINES_BCE WASTEWATER			250.00
Total for Check Number 17031:				0.00	250.00
17032	10023	AT & T CAPITAL SERVICES, INC	04/11/2019		
	3067717	MONTHLY PHONE LEASE_AVAYA			396.07
Total for Check Number 17032:				0.00	396.07
17033	00055	AT&T	04/11/2019		
	419_9607360489A	PHONE_ADMIN			233.66
	419_9607360489B	PHONE_OPS			4,023.01
	419_9607360489C	PHONE_WTP			1,856.36
	419_9607360489D	PHONE_BCE WASTEWATER			408.81
Total for Check Number 17033:				0.00	6,521.84
17034	10173	CARLY BLANCHARD	04/11/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	041019_10173A	EMPLOYEE REIMBURSEMENT_MILEAGE			356.86
	041019_10173B	EMPLOYEE REIMBURSEMENT_SUPPLIES			22.59
			Total for Check Number 17034:	0.00	379.45
17035	00788 040319_0956185	COMCAST INTERNET_545 FALL CREEK DRIVE	04/11/2019		173.50
			Total for Check Number 17035:	0.00	173.50
17036	00788 4119_1236033	COMCAST INTERNET_215 BLACKSTONE DRIVE	04/11/2019		174.81
			Total for Check Number 17036:	0.00	174.81
17037	00788 4119_1368455	COMCAST INTERNET_345 QUAIL TERRACE	04/11/2019		113.29
			Total for Check Number 17037:	0.00	113.29
17038	00265 2633	COMMUNITY TELEVISION MEETING COVERAGE FEB 7TH & 21ST	04/11/2019		924.00
			Total for Check Number 17038:	0.00	924.00
17039	00784 K223811	CORE & MAIN LP 3/4 X 3 FULL CIRCLE REPAIR CLAMPS	04/11/2019		232.20
			Total for Check Number 17039:	0.00	232.20
17040	00147 9075701	EMERSON PROCESS MANAGEMENT SCADA SURVEY / LOMPICO ASSESMENT	04/11/2019		11,009.14
			Total for Check Number 17040:	0.00	11,009.14
17041	00076 775117	ERNIE'S AUTO CENTER ENGINE OIL_VE#335	04/11/2019		25.03
			Total for Check Number 17041:	0.00	25.03
17042	00343 75499 75634	ERNIE'S SERVICE CENTER SERPENTINE BELT & TENSIONER_VE-485_ SERVICE FOR VE-341_WO#97	04/11/2019		703.47 582.58
			Total for Check Number 17042:	0.00	1,286.05
17043	00525 93622242	ESRI, INC. ENGINEERING GIS SOFTWARE 2019_04/28/	04/11/2019		10,000.00
			Total for Check Number 17043:	0.00	10,000.00
17044	00750 033119_750	FEDAK & BROWN, LLP SERVICES RENDERED FOR MARCH 2019	04/11/2019		1,050.00
			Total for Check Number 17044:	0.00	1,050.00
17045	00016 4009925	GREENWASTE RECOVERY, INC TRASH/RECYCLE/YARDWASTE SERVICES	04/11/2019		413.08
			Total for Check Number 17045:	0.00	413.08
17046	UB*00592	AUBREY & SAMANTHA GREY Refund Check	04/11/2019		53.34

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
		Refund Check			3.02
			Total for Check Number 17046:	0.00	56.36
17047	00256 040919_256	JESSE GUIVER EMPLOYEE REIMBURSEMENT_OVERTIME	04/11/2019		15.00
			Total for Check Number 17047:	0.00	15.00
17048	00550 11398067 11398316	HACH COMPANY REAGENT_MARCH2019 LAB SUPPLIES_FORMAZIN & BUFFER SOL	04/11/2019		938.97 335.66
			Total for Check Number 17048:	0.00	1,274.63
17049	00615 4361138	HOME DEPOT CREDIT SERVICES IMPACT DRIVER_WO#814	04/11/2019		485.99
			Total for Check Number 17049:	0.00	485.99
17050	10018 03312019_10018	HOLLY HOSSACK EMPLOYEE REIMBURSEMENT_MILEAGE	04/11/2019		47.20
			Total for Check Number 17050:	0.00	47.20
17051	UB*00591	Melissa Huelin Refund Check	04/11/2019		72.98
			Total for Check Number 17051:	0.00	72.98
17052	10005 114701	ICMA RETIREMENT C/O M & T RETIRI RETIREMENT WITHHOLDING_PP ENDING	04/11/2019		3,607.20
			Total for Check Number 17052:	0.00	3,607.20
17053	00367 151087A 151087B 151226A 151226B	INFOSEND, INC MAILER_LOMPICO EAST/MANANA POSTAGE FOR MAILER_LOMPICO EAST/M MAILER_LOMPICO WEST POSTAGE FOR MAILER_LOMPICO WEST	04/11/2019		68.73 164.85 37.85 91.74
			Total for Check Number 17053:	0.00	363.17
17054	00643 545601 545725	MANCO, INC ENCLOSURE FOR TANK LEVEL TRANSDUC FLOW METER	04/11/2019		195.91 5,116.83
			Total for Check Number 17054:	0.00	5,312.74
17055	00441 1027712	MISSION COMMUNICATIONS,LLC ANTENNA CABLE	04/11/2019		237.33
			Total for Check Number 17055:	0.00	237.33
17056	10067 219000352A 219000352B 219000352C 219000352D	NBS QUARTERLY ADMIN FEES_04/01/19-06/30/1 REIMBURSABLE EXPENSES QUARTERLY ADMIN FEES_04/01/19-06/30/1 REIMBURSABLE EXPENSES	04/11/2019		1,125.00 24.13 750.00 16.09
			Total for Check Number 17056:	0.00	1,915.22
17057	10004	PETTY CASH - CHELSEA SLADWICK	04/11/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	033119_10004	PETTY CASH REPLENISH			71.07
			Total for Check Number 17057:	0.00	71.07
17058	00428 18FLP06	RCD OF SANTA CRUZ COUNTY FISH LADDER PERMITTING_WO#280	04/11/2019		3,620.58
			Total for Check Number 17058:	0.00	3,620.58
17059	00102 040919_102	ANDY ROBUSTELLI EMPLOYEE REIMBURSEMENT_OVERTIME	04/11/2019		15.00
			Total for Check Number 17059:	0.00	15.00
17060	10151 228180	OSCAR RODAS MAINTENANCE_YARD WORK_MARCH201	04/11/2019		250.00
			Total for Check Number 17060:	0.00	250.00
17061	00142 61-0135264 61-0135434	SAN LORENZO LUMBER OPERATIONS MAP WALL OPERATIONS MAP WALL	04/11/2019		9.66 35.05
			Total for Check Number 17061:	0.00	44.71
17062	10241 SB122923	SBC GLOBAL SERVICES, INC. ADD EXTENSION TO BACK OF ADMIN	04/11/2019		1,162.99
			Total for Check Number 17062:	0.00	1,162.99
17063	00125 331607 331718 331785 582098	SCARBOROUGH LUMBER MISC SUPPLIES_OPS LEAK REPAIR_PINE STREET DISTILLED WATER_TREATMENT PLANT MISC SUPPLIES_OPS	04/11/2019		77.62 43.48 23.24 156.65
			Total for Check Number 17063:	0.00	300.99
17064	00746 60174 60175	SCOTTS VALLEY BANNER MANANA WOODS MAIN FLUSH_RUN DAT LOMPICO MAIN FLUSH_RUN DATE 03/22/1	04/11/2019		265.00 265.00
			Total for Check Number 17064:	0.00	530.00
17065	00047 9030355 9030411 9030472	SOIL CONTROL LAB WATER ANALYSIS_5 LOCATIONS WATER ANALYSIS_4 LOCATIONS WATER ANALYSIS_CLEAR/FOREMAN/SWE	04/11/2019		145.00 116.00 87.00
			Total for Check Number 17065:	0.00	348.00
17066	10217 33119_7268A 33119_7268B 33119_7268C 33119_7268D 33119_7268E 33119_7268F 33119_7268G 33119_7268H 33119_7268I 33119_7268J	UMPQUA BANK HIRERIGHT_BACKGROUND CHECK HILLTOP MEDICAL CLINIC_NEW HIRE PH APPRIVER_TECH SUPPORT GFOA_CAFR REVIEW FEE HIRERIGHT_BACKGROUND CHECK SIX SIGMA GLOBAL INST_YELLOW BELT PAYCHEX DIRECT CATALOG_STATE & FEI LINKEDIN_ONLINE COURSES STAPLES_WIRELESS HEADSET MAILCHIMP_MARKETING PLATFORM_NE	04/11/2019		39.95 65.00 202.95 370.00 69.95 99.00 70.90 29.99 273.41 50.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	33119_7268K	SANTA CRUZ JOBS_JOB POSTING			299.00
	33119_7268L	HIRERIGHT_BACKGROUND CHECK REFU			-39.95
	33119_7268M	STAPLES_CONFERENCE PHONE RETURN			-1,048.10
	33119_7268N	WS DARLEY_RAIN/SAFETY BOOTS 209			180.05
	33119_7268O	DELL EMC_MONITOR STANDS			160.80
	33119_7268P	CARHART_EMPLOYEE UNIFORM 227			135.57
	33119_7268Q	CARHART_EMPLOYEE UNIFORM 139			93.27
	33119_7268R	CARHART_EMPLOYEE UNIFORM 206			114.96
	33119_7268S	CARHART_EMPLOYEE UNIFORM 217			146.42
	33119_7268T	DIGITAL ENGINEERING_DISTRICT MAPS			243.58
	33119_7268U	DIGITAL ENGINEERING_DISTRICT MAPS			243.57
		Total for Check Number 17066:		0.00	1,800.32
17067	00721	UNITED SITE SVCS.,INC	04/11/2019		
	8248143	WEEKLY SERVICE_03/26/19-04/22/19_PROB			196.70
	8262207	QUAIL 5 TOILET SERVICE AND CLEANING			204.35
		Total for Check Number 17067:		0.00	401.05
17068	00768	USA BLUEBOOK	04/11/2019		
	844889	CHLORINE PUMP PARTS			284.81
	847381	CHLORINE DRUM PUMP TUBES			951.06
		Total for Check Number 17068:		0.00	1,235.87
17069	00599	WEX BANK	04/11/2019		
	58512396A	GAS_FINANCE			912.43
	58512396B	GAS_OPS			3,801.82
	58512396C	GAS_WTP			2,233.64
		Total for Check Number 17069:		0.00	6,947.89
17070	00362	ACCELA, INC #774375	04/17/2019		
	ACC45140A	TRANSACTION FEES_MARCH 2019			1,441.00
	ACC45140B	ONLINE BILLS FEES_MARCH 2019			185.00
		Total for Check Number 17070:		0.00	1,626.00
17071	00589	ALLARD'S SEPTIC SERVICE	04/17/2019		
	7719	SEPTIC SERVICES_03/28/19			300.00
		Total for Check Number 17071:		0.00	300.00
17072	00309	AT&T IP SERVICES	04/17/2019		
	7438117407	PHONE SYSTEM_195 KIRBY STREET			271.31
		Total for Check Number 17072:		0.00	271.31
17073	00687	AT&T U-VERSE	04/17/2019		
	40519_137458730	UVERSE_16057 HWY 9			75.00
		Total for Check Number 17073:		0.00	75.00
17074	UB*00595	ATLANTIS PAVING & GRADING INC.	04/17/2019		
		Refund Check			75.00
		Total for Check Number 17074:		0.00	75.00
17075	10025	BADGER METER, INC	04/17/2019		
	80031067	BEACON SERVICES_MARCH 2019			1,516.56

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17075:	0.00	1,516.56
17076	00220 32267_220	BAY BUILDING JANITORIAL,INC JANITORIAL SERVICES_APRIL 2019	04/17/2019		424.42
			Total for Check Number 17076:	0.00	424.42
17077	UB*00606	MICHELLE BERNABEI Refund Check	04/17/2019		75.00
			Total for Check Number 17077:	0.00	75.00
17078	UB*00610	MARLENE CAMACHO Refund Check Refund Check	04/17/2019		41.35 20.58
			Total for Check Number 17078:	0.00	61.93
17079	00788 040918_1318922	COMCAST INTERNET_3652 GRAHAM HILL RD	04/17/2019		143.29
			Total for Check Number 17079:	0.00	143.29
17080	00788 040819_1323641	COMCAST INTERNET_365 MADRONE DR OFC	04/17/2019		264.01
			Total for Check Number 17080:	0.00	264.01
17081	00788 040819_1323583	COMCAST INTERNET_365 MADRONE DRIVE	04/17/2019		264.01
			Total for Check Number 17081:	0.00	264.01
17082	00788 040819_1236058	COMCAST INTERNET_17277 HWY 9	04/17/2019		174.81
			Total for Check Number 17082:	0.00	174.81
17083	00788 040719_1236124	COMCAST INTERNET_15819 FOREST HILL DRIVE	04/17/2019		174.81
			Total for Check Number 17083:	0.00	174.81
17084	00788 040618_1318955	COMCAST INTERNET_1150 REBECCA DRIVE	04/17/2019		143.29
			Total for Check Number 17084:	0.00	143.29
17085	00788 040618_1236017	COMCAST INTERNET_295 EAST ROAD	04/17/2019		174.81
			Total for Check Number 17085:	0.00	174.81
17086	00788 040519_1236165	COMCAST INTERNET_280 BLUE RIDGE DRIVE	04/17/2019		174.81
			Total for Check Number 17086:	0.00	174.81
17087	00788 040419_0302438	COMCAST INTERNET_1075 WHISPERING PINES DRIV	04/17/2019		193.38

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17087:	0.00	193.38
17088	00273 30417855	CORELOGIC, INC. REALQUEST SERVICES_BILLING PERIOD (04/17/2019		206.00
			Total for Check Number 17088:	0.00	206.00
17089	00703 262069 262070 262072 262073 262074	DATAFLOW BUSINESS SYSTEMS, INC CONTRACT SERVICES FOR PRINTERS/COF CONTRACT SERVICES FOR PRINTERS/COF CONTRACT SERVICES FOR PRINTERS/COF CONTRACT SERVICES FOR PRINTERS/COF CONTRACT SERVICES FOR PRINTERS/COF	04/17/2019		62.10 266.14 86.38 51.47 16.09
			Total for Check Number 17089:	0.00	482.18
17090	UB*00601	DRILL TECH DRILLING & SHORING, II Refund Check	04/17/2019		200.00
			Total for Check Number 17090:	0.00	200.00
17091	UB*00609	KEVIN DUNIVAN Refund Check	04/17/2019		75.00
			Total for Check Number 17091:	0.00	75.00
17092	UB*00603	EARTHWORKS PAVING CONTRACTOF Refund Check	04/17/2019		75.00
			Total for Check Number 17092:	0.00	75.00
17093	00612 925-0224-4	EMPLOYMENT DEVELOPMENT DEPT UNEMPLOYMENT INSURANCE CHARGE	04/17/2019		108.71
			Total for Check Number 17093:	0.00	108.71
17094	00076 776423	ERNIE'S AUTO CENTER WINDSHIELD WIPER BLADES_VE-121	04/17/2019		63.98
			Total for Check Number 17094:	0.00	63.98
17095	00343 75182	ERNIE'S SERVICE CENTER OIL CHANGE_TOMMY GATE REPAIR_VE-2	04/17/2019		636.26
			Total for Check Number 17095:	0.00	636.26
17096	UB*00593	JAMES GALLAGHER Refund Check	04/17/2019		75.00
			Total for Check Number 17096:	0.00	75.00
17097	UB*00602	GRAHAM CONTRACTORS Refund Check	04/17/2019		75.00
			Total for Check Number 17097:	0.00	75.00
17098	00329 9129401494	GRAINGER LAB SUPPLIES_WTP	04/17/2019		134.18
			Total for Check Number 17098:	0.00	134.18
17099	00080	GRANITE CONSTRUCTION CO	04/17/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	1554383	BASE ROCK			64.61
	1557995	HOT MIX_PAVING			465.71
			Total for Check Number 17099:	0.00	530.32
17100	00550	HACH COMPANY	04/17/2019		
	11401545	WTP SUPPLIES_STABLCAL AMPULE KIT			590.80
	11403696	LAB SUPPLIES_WTP			360.19
	11406534	LAB SUPPLIES_WTP			396.76
			Total for Check Number 17100:	0.00	1,347.75
17101	UB*00600	MCGUIRE & HESTER	04/17/2019		
		Refund Check			75.00
			Total for Check Number 17101:	0.00	75.00
17102	00236	IDEXX DISTRIBUTION CORP	04/17/2019		
	3044916875	LAB SUPPLIES_WTP			2,861.56
			Total for Check Number 17102:	0.00	2,861.56
17103	00181	LAS ANIMAS CONCRETE	04/17/2019		
	142204	SLURRY_BACKFILL			375.25
			Total for Check Number 17103:	0.00	375.25
17104	UB*00607	LUIS LINS	04/17/2019		
		Refund Check			75.00
			Total for Check Number 17104:	0.00	75.00
17105	UB*00597	BIG LUMBER	04/17/2019		
		Refund Check			75.00
			Total for Check Number 17105:	0.00	75.00
17106	UB*00605	ROBERT MEANS	04/17/2019		
		Refund Check			75.00
			Total for Check Number 17106:	0.00	75.00
17107	00296	MESITI-MILLER ENGINEERING,INC	04/17/2019		
	0319016	BLUE TANK_WO#521			1,413.60
	0319023	PROBATION TANK_WO#823			136.13
	0319024	PROBATION TANK_WO#823			1,463.00
	0319025	PROBATION TANK_WO#823			8,044.40
			Total for Check Number 17107:	0.00	11,057.13
17108	10139	NATIONAL METER & AUTOMATION	04/17/2019		
	S1113026.001A	ME ENDPOINT DRIVE-BY_NICOR CONNEC			1,989.18
	S1113026.001B	METER 2" BADGER MODEL 170			710.79
			Total for Check Number 17108:	0.00	2,699.97
17109	UB*00594	DON NELSON	04/17/2019		
		Refund Check			126.00
			Total for Check Number 17109:	0.00	126.00
17110	UB*00608	KEN PELPHREY	04/17/2019		
		Refund Check			75.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17110:	0.00	75.00
17111	00050 077-251-20	CO. OF SANTA CRUZ RECORDER'S OF RECORDING FEES FOR 077-251-20	04/17/2019		14.00
			Total for Check Number 17111:	0.00	14.00
17112	00125	SCARBOROUGH LUMBER	04/17/2019		
	331898	BLOCK WALL_BLUE TANK_WO#521			43.36
	331951	BACKFLOW INSTALL_685 FIDDLE STICKS			20.95
	331952	BACKFLOW INSTALL_685 FIDDLE STICKS			9.44
	331953	PIPE FLANGE_WO#338			15.52
	331996	CONCRETE FLOAT_MAIN REPAIR			8.74
	394293	KIRBY PLANT			140.28
	394387	BLOCK WALL_BLUE TANK_WO#521			6.80
	394423	BLOCK WALL_BLUE TANK_WO#521			29.22
	394428	BLOCK WALL_BLUE TANK_WO#521			37.68
	394498	MISC HARDWARE_WTP			86.18
	582470	BACKFLOW PAD			26.23
	582493	LIGHT BULBS_OPS			55.32
	582527	ENGINEERING OFFICE			36.33
	582533	ENGINEERING OFFICE			47.64
	582548	ENGINEERING OFFICE			53.79
	582551	ENGINEERING OFFICE			11.53
			Total for Check Number 17112:	0.00	629.01
17113	00746	SCOTTS VALLEY BANNER	04/17/2019		
	60414	LOMPICO MAIN FLUSH_RUN DATE 03/29/1			265.00
	60469	COMMUNITY CHATS_RUN DATE 03/29/19			220.00
			Total for Check Number 17113:	0.00	485.00
17114	UB*00598	Kyle Sharp Refund Check	04/17/2019		82.50
			Total for Check Number 17114:	0.00	82.50
17115	UB*00484	SLVWD Refund Check	04/17/2019		75.00
			Total for Check Number 17115:	0.00	75.00
17116	UB*00547	SLVWD Refund Check	04/17/2019		245.89
			Total for Check Number 17116:	0.00	245.89
17117	UB*00599	JESSE SMITH Refund Check	04/17/2019		75.00
			Total for Check Number 17117:	0.00	75.00
17118	00047	SOIL CONTROL LAB	04/17/2019		
	9030138	WATER ANALYSIS_OLY 2 & 3			78.00
	9030356	WATER ANALYSIS_OLY 2			39.00
	9030619	WATER ANALYSIS_5 LOCATIONS			145.00
	9030620	WATER ANALYSIS_PEA VINE CREEK			29.00
			Total for Check Number 17118:	0.00	291.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
17119	00227 27687P	SUPERIOR TANK COMPANY, INC STEEL STORAGE TANK	04/17/2019		47,345.00
			Total for Check Number 17119:	0.00	47,345.00
17120	00065 11799	T & P SALES POLY COUP GASKETS_OPS	04/17/2019		377.15
			Total for Check Number 17120:	0.00	377.15
17121	UB*00596	TTR SUBSTATIONS INC Refund Check	04/17/2019		75.00
			Total for Check Number 17121:	0.00	75.00
17122	UB*00604	CATHERINE WEYHE Refund Check	04/17/2019		75.00
			Total for Check Number 17122:	0.00	75.00
17123	10248 123XT479-201965	WIN-911 SOFTWARE ANNUAL SUPPORT	04/17/2019		495.00
			Total for Check Number 17123:	0.00	495.00
17124	00767 0976205881	ANTHEM BLUE CROSS MEDICARE RX_05/01/19-06/01/19	04/19/2019		116.90
			Total for Check Number 17124:	0.00	116.90
17125	00213 114486A 114486B 114486C 114486D 114486E	CHESTNUT IDENTITY APPAREL, INC UNIFORM_EMPLOYEE #227 UNIFORM_EMPLOYEE #206 UNIFORM_EMPLOYEE #139 UNIFORM_EMPLOYEE #214 UNIFORM_EMPLOYEE #217	04/19/2019		53.98 43.18 32.39 75.57 43.18
			Total for Check Number 17125:	0.00	248.30
17126	10207 MARCH 2019_2535	CITI CARDS_COSTCO SALMONIDRES CONFERENCE_ENVIRON	04/19/2019		430.00
			Total for Check Number 17126:	0.00	430.00
17127	00058 05113	IHWY BUSINESS HOSTING_APRIL	04/19/2019		25.00
			Total for Check Number 17127:	0.00	25.00
17128	00711 S1820924.004 S1820971.003 S1825726.005	ROBERTS & BRUNE CO. FREIGHT NOT BILLED ON INV#S1820924.00 FREIGHT NOT CHARGED ON INV#S1820971.00 FREIGHT NOT BILLED ON INV#S1825726.00	04/19/2019		22.27 23.35 100.81
			Total for Check Number 17128:	0.00	146.43
17129	00545 245811	AFLAC 2019 MONTHLY INS. PREMIUMS_APRIL 2019	04/24/2019		221.77
			Total for Check Number 17129:	0.00	221.77
17130	00729 9041839	ALPHA ANALYTICAL LABS LAB FEES-ANALYTICAL SERVICES	04/24/2019		430.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17130:	0.00	430.00
17131	00309	AT&T IP SERVICES	04/24/2019		
	4060647406A	AT&T IP SERVICES_ADMIN			249.38
	4060647406B	AT&T IP SERVICES_OPS			249.37
	4060647406C	AT&T IP SERVICES_WTP			249.37
			Total for Check Number 17131:	0.00	748.12
17132	00687	AT&T U-VERSE	04/24/2019		
	40619_132166881	INTERNET_MANANA WOODS			90.00
			Total for Check Number 17132:	0.00	90.00
17133	00687	AT&T U-VERSE	04/24/2019		
	40719_132182018	INTERNET_345 QUAIL TERRACE			80.00
			Total for Check Number 17133:	0.00	80.00
17134	00609	BALANCE HYDROLOGICS, INC	04/24/2019		
	217018-0319	STREAM MONITORING PROGRAM_PREPA			382.50
	218018-0319	STREAM MONITORING PROGRAM_YEAR :			2,906.25
			Total for Check Number 17134:	0.00	3,288.75
17135	00160	BANANA SLUG STRING BAND	04/24/2019		
	041919_160	FINAL 10% EDUCATION GRANT PROGRAM			240.00
			Total for Check Number 17135:	0.00	240.00
17136	01077	JOSEPH B BEASLEY	04/24/2019		
	040919_1077	MEAL REIMBURSEMENT_OT			14.04
			Total for Check Number 17136:	0.00	14.04
17137	00788	COMCAST	04/24/2019		
	041119_1171123	INTERNET_23 SUMMIT AVE			153.29
			Total for Check Number 17137:	0.00	153.29
17138	00788	COMCAST	04/24/2019		
	041519_1236074	INTERNET_200 ANNIES WAY			166.80
			Total for Check Number 17138:	0.00	166.80
17139	00788	COMCAST	04/24/2019		
	041619_1018662	INTERNET_264 ORCHARD ROAD			148.29
			Total for Check Number 17139:	0.00	148.29
17140	00037	CO. OF SANTA CRUZ DEPT OF PUBLIC	04/24/2019		
	35598A	PALLETS_DUMP FEES_WTP			39.78
	35598B	TOILETS_REBATE PROGRAM			7.50
	35598C	JOHNSON BUILDING CLEANUP			327.65
			Total for Check Number 17140:	0.00	374.93
17141	00409	EASYPERMIT POSTAGE	04/24/2019		
	48385736	POSTAGE REFILL_APRIL 2019			500.00
			Total for Check Number 17141:	0.00	500.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
17142	00076 777028	ERNIE'S AUTO CENTER STOP TAIL_VE-230_WO#694	04/24/2019		28.97
		Total for Check Number 17142:		0.00	28.97
17143	00450 L0444299 L0444300 L0444301 L0444314 L0444493 L0445405	EUROFINS WATER ANALYSIS_CLEAR CREEK WATER ANALYSIS_SWEETWATER CREEK WATER ANALYSIS_FOREMAN CREEK WATER ANALYSIS_PEA VINE CREEK WATER ANALYSIS_FALL CREEK_BULL SPI WATER ANALYSIS	04/24/2019		680.00 680.00 680.00 680.00 2,720.00 60.00
		Total for Check Number 17143:		0.00	5,500.00
17144	00118 68987009	FARMER BROTHERS COFFEE COFFEE SUPPLIES	04/24/2019		122.53
		Total for Check Number 17144:		0.00	122.53
17145	00204 651891017A 651891017B 651891017C	FEDERAL EXPRESS CORP SYSTEMS INTEGRATED HACH EUROFINS EATON ANALYTICAL	04/24/2019		40.48 43.39 114.20
		Total for Check Number 17145:		0.00	198.07
17146	00080 1559653	GRANITE CONSTRUCTION CO HOT MIX	04/24/2019		330.90
		Total for Check Number 17146:		0.00	330.90
17147	00020 04090-19042	HARO, KASUNICH & ASSOCIATES BLUE TANK_WO#521	04/24/2019		381.25
		Total for Check Number 17147:		0.00	381.25
17148	00573 041719_573	STEPHANIE HILL MILEAGE REIMBURSEMENT_MEETINGS_]	04/24/2019		95.24
		Total for Check Number 17148:		0.00	95.24
17149	10249 041519_10249	BRAD MACDONALD 2 YARDS WOOD CHIPS_SV ROCKERY	04/24/2019		74.53
		Total for Check Number 17149:		0.00	74.53
17150	00082 235636A 235636B 235636C	MID VALLEY SUPPLY PAPERTOWELS_WTP PAPERTOWELS_TP_SEAT COVERS_OPS LIQUID SOAP_ADMIN	04/24/2019		110.68 162.06 19.13
		Total for Check Number 17150:		0.00	291.87
17151	10120 022100000140	PACIFIC CREDIT SERVICES COLLECTION SERVICES	04/24/2019		189.56
		Total for Check Number 17151:		0.00	189.56
17152	00944 3366	PDNC, INC. MONTHLY SERVER SUPPORT_APRIL2019	04/24/2019		517.68

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17152:	0.00	517.68
17153	00501 1012085403	PITNEY BOWES INC EZ SEAL & RED INK_POSTAGE SUPPLIES	04/24/2019		202.42
			Total for Check Number 17153:	0.00	202.42
17154	00370 2204	RAC CONSTRUCTION ADMIN BUILDING_ENGINEERING REMOD	04/24/2019		1,800.00
			Total for Check Number 17154:	0.00	1,800.00
17155	00125 331972 332069 332219 332314 332401 332536 394824 582583 582671	SCARBOROUGH LUMBER PUMP PLUMBING_FELTON ACRES ADMIN_ENGINEERING OFFICE PLUMBING PARTS_KIRBY PLANT FELTON LIBRARY PROJECT_WO#1306 REWIRE_PASO #8_WO#814 REWIRE_PASO #8_WO#814 CLEANING SUPPLIES_KIRBY PLANT ADMIN_ENGINEERING OFFICE SHOVEL_BUCKET_BROOM_OPS	04/24/2019		29.13 36.86 31.33 130.56 23.94 44.47 27.92 41.73 81.98
			Total for Check Number 17155:	0.00	447.92
17156	10233 31025	SCHAAF & WHEELER, CONSULTING C LOMPICO TANKS_60 O/O DESIGN	04/24/2019		5,745.00
			Total for Check Number 17156:	0.00	5,745.00
17157	00746 60575	SCOTTS VALLEY BANNER FLUSHING NOTICE_RUN DATE 04/05/19	04/24/2019		265.00
			Total for Check Number 17157:	0.00	265.00
17158	00168 153222	SCOTTS VALLEY SPRINKLER HYDRANT TO HOSES ADAPTOR	04/24/2019		76.49
			Total for Check Number 17158:	0.00	76.49
17159	00171 031518_171 2018-280365 2018-287134 MC1180370030	SCOTTS VALLEY WATER DISTRICT FIX A LEAK SPANISH RADIO AD_ENV FIX A LEAK DISPLAY AD 3.14.18_ENV FIX A LEAK DISPLAY AD 5.9.18_ENV FIX A LEAK RADIO AD_ENVIR	04/24/2019		98.76 50.51 50.51 197.57
			Total for Check Number 17159:	0.00	397.35
17160	10154 041919_10154	SLV ELEMENTARY SCHOOL FINAL 10% OF 2018 EDUCATION GRANT	04/24/2019		210.00
			Total for Check Number 17160:	0.00	210.00
17161	UB*00611	BRIAN TARDELL Refund Check	04/24/2019		0.26
			Total for Check Number 17161:	0.00	0.26
17162	00768 859338	USA BLUEBOOK PO#101186_PRODUCT RETURNED	04/24/2019		1,276.97

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17162:	0.00	1,276.97
17163	00011	VERIZON WIRELESS	04/24/2019		
	9828151692A	CELL PHONE_ADMIN			44.46
	9828151692B	CELL PHONE_FINANCE			94.09
	9828151692C	CELL PHONE_OPS			691.58
	9828151692D	CELL PHONE_WTP			404.04
			Total for Check Number 17163:	0.00	1,234.17
17164	00011	VERIZON WIRELESS	04/24/2019		
	9828151693A	CELL PHONE_ADMIN			24.65
	9828151693B	CELL PHONE_OPS			308.78
	9828151693C	CELL PHONE_ENVIRON			51.25
	9828151693D	CELL PHONE_WTP			102.51
			Total for Check Number 17164:	0.00	487.19
17165	10072	WATER SYSTEMS CONSULTING, INC	04/24/2019		
	3746	USDA PHASE 1 FUNDING SUPPORT_03/01/1			8,625.00
	3757A	PROJECT MANAGEMENT_ON CALL AS NE			3,613.75
	3757B	BEAR CREEK ESTATES WWTP_WO#842			960.00
	3757C	LYON TANK ACCESS ROAD_WO#549			240.00
			Total for Check Number 17165:	0.00	13,438.75
17166	10152	WESTAMERICA BANK	04/24/2019		
	42219_10152A	TRUCK LOAN_INTEREST			207.04
	42219_10152B	TRUCK LOAN_PRINCIPAL			1,893.64
			Total for Check Number 17166:	0.00	2,100.68
17167	00057	AFSCME COUNCIL 57	04/25/2019		
	APRIL19_57	UNION DUES_APRIL2019			998.66
			Total for Check Number 17167:	0.00	998.66
17168	10005	ICMA RETIREMENT C/O M & T RETIRI	04/25/2019		
	121767	RETIREMENT WITHHOLDING_PP ENDING			3,607.20
			Total for Check Number 17168:	0.00	3,607.20
17169	00162	ANTHEM BLUE CROSS	04/30/2019		
	000077349679	RETIRED EMPLOYEE MEDICAL_05/01/19-0			355.77
			Total for Check Number 17169:	0.00	355.77
17170	00055	AT&T	04/30/2019		
	41919_831335527	TELEPHONE_FELTON ACRES			164.70
			Total for Check Number 17170:	0.00	164.70
17171	00034	DAVE BASLER	04/30/2019		
	MAY2019_34	RETIREE MEDICAL_MAY2019			75.00
			Total for Check Number 17171:	0.00	75.00
17172	00145	BATTERIES PLUS	04/30/2019		
	P13441788	FELTON ACRES_GENERATOR BATTERY			182.10
	P13464249	FLASHLIGHT_WTP			29.38

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17172:	0.00	211.48
17173	00342	BRASS KEY LOCKSMITH	04/30/2019		
	950733	JOHNSON BUILDING OFFICE_RE_KEY			287.50
	950783	DUPLICATE MM KEYS_OPS			19.02
			Total for Check Number 17173:	0.00	306.52
17174	00099	JOEL BUSA	04/30/2019		
	MAY2019_99	RETIREE MEDICAL_MAY2019			125.00
			Total for Check Number 17174:	0.00	125.00
17175	00566	C S S C	04/30/2019		
	190400059101	ANSWERING SERVICE_SERVICE PERIOD 0			234.18
			Total for Check Number 17175:	0.00	234.18
17176	UB*00612	MOSS CABALLERO	04/30/2019		
		Refund Check			13.52
			Total for Check Number 17176:	0.00	13.52
17177	00363	CINCINNATI LIFE INSURANCE CO	04/30/2019		
	APRIL19_363	201 LIFE INSURANCE_APRIL 2019			28.00
			Total for Check Number 17177:	0.00	28.00
17178	01050	COLONIAL LIFE	04/30/2019		
	0413350	2019 INSURANCE PREMIUMS_04/13/19 & 04			559.04
			Total for Check Number 17178:	0.00	559.04
17179	00788	COMCAST	04/30/2019		
	041919_1028380	INTERNET_7400 HIGHWAY 9			153.29
			Total for Check Number 17179:	0.00	153.29
17180	00757	JOE DAVIS	04/30/2019		
	041319_757	EMPLOYEE REIMBURSEMENT_UNIFORM			152.55
			Total for Check Number 17180:	0.00	152.55
17181	00505	DELL MARKETING LP	04/30/2019		
	10309164094	DISTRICT MANAGER NEW P.C.			1,733.36
			Total for Check Number 17181:	0.00	1,733.36
17182	00760	DYNAMIC PRESS	04/30/2019		
	24026A	FUEL LOGS_WTP			33.37
	24026B	FUEL LOGS_OPS			33.37
			Total for Check Number 17182:	0.00	66.74
17183	UB*00614	KYLE EMMERT	04/30/2019		
		Refund Check			73.56
			Total for Check Number 17183:	0.00	73.56
17184	00329	GRAINGER	04/30/2019		
	9143749522	BOLTS_WTP			75.72
	9144151462	WIPES_WTP			195.10

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17184:	0.00	270.82
17185	00212 IN0092202	CO. OF SANTA CRUZ HEALTH SERVIC HMMP STANDARD FORM FILING FEE	04/30/2019		845.00
			Total for Check Number 17185:	0.00	845.00
17186	00236 3045766687	IDEXX DISTRIBUTION CORP LAB SUPPLIES_WTP	04/30/2019		781.69
			Total for Check Number 17186:	0.00	781.69
17187	00367 151484A 151484B	INFOSEND, INC MAILING FEES_MARCH 2019 POSTAGE FEES_MARCH 2019	04/30/2019		1,085.79 2,622.84
			Total for Check Number 17187:	0.00	3,708.63
17188	00208 MAY2019_208	LEONARD KUHNLEIN RETIREE MEDICAL_MAY2019	04/30/2019		125.00
			Total for Check Number 17188:	0.00	125.00
17189	00336 3-2019	LAND TRUST OF SANTA CRUZ COUN OLYMPIA PATROL SERVICE_MARCH 2019	04/30/2019		318.55
			Total for Check Number 17189:	0.00	318.55
17190	10136 032219_10136	DANIEL MACK ADMIN_ENGINEERING ROOM	04/30/2019		33.34
			Total for Check Number 17190:	0.00	33.34
17191	00313 041419_313A 041419_313B 041419_313C 041419_313D 041419_313E 041419_313F 041419_313G 041419_313H 041419_313I 041419_313J 041419_313K 041419_313L 041419_313M 041419_313N 041419_313O 041419_313P 041419_313Q 041419_313R	MET LIFE DENTAL_ADMIN DISABILITY_ADMIN LIFE INSURANCE_ADMIN DENTAL_FINANCE DISABILITY_FINANCE LIFE INSURANCE_FINANCE DENTAL_ENGINEERING DISABILITY_ENGINEERING LIFE INSURANCE_ENGINEERING DENTAL_OPS DISABILITY_OPS LIFE INSURANCE_OPS DENTAL_ENVIRONMENTAL DISABILITY_ENVIRONMENTAL LIFE INSURANCE_ENVIRONMENTAL DENTAL_WTP DISABILITY_WTP LIFE INSURANCE_WTP	04/30/2019		192.14 84.83 33.30 1,300.46 226.82 104.89 62.57 41.45 16.65 1,778.27 310.11 176.49 258.32 78.38 33.30 1,439.72 348.49 156.51
			Total for Check Number 17191:	0.00	6,642.70
17192	00662 MAY2019_662	JAMES A. MUELLER RETIREE MEDICAL_MAY2019	04/30/2019		50.00
			Total for Check Number 17192:	0.00	50.00
17193	00775	NORTHERN SAFETY CO.,INC.	04/30/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	903410068	HEARING PROTECTION_OPS			76.13
			Total for Check Number 17193:	0.00	76.13
17194	00428 18FLP07	RCD OF SANTA CRUZ COUNTY FISH LADDER PERMITTING_WO#280	04/30/2019		1,146.49
			Total for Check Number 17194:	0.00	1,146.49
17195	00711	ROBERTS & BRUNE CO.	04/30/2019		
	S1828979..002N	CHECK VALVE 3/4"			60.40
	S1828979.001	HYMAX REDUCER COUPLING 3X4 3.46-4.3			986.11
	S1828979.002A	PLUG GALV 2"			32.82
	S1828979.002B	BUSHING GALV 3/4" X 1/2"			11.16
	S1828979.002C	TEE GALV 1/2"			12.73
	S1828979.002D	TEE GALV 1-1/2"			48.94
	S1828979.002E	ELL 90 GALV 2"			56.00
	S1828979.002F	NIPPLE GALV 1/2" X 0"			7.98
	S1828979.002G	NIPPLE GALV 3/4" X 6"			15.55
	S1828979.002H	NIPPLE GALV 1" X 3"			13.18
	S1828979.002I	NIPPLE GALV 1" X 3-1/2"			13.88
	S1828979.002J	NIPPLE GALV 1-1/4" X 4"			18.06
	S1828979.002K	NIPPLE GALV 1-1/2" X 6"			28.52
	S1828979.002L	NIPPLE GALV 2" X 6"			45.60
	S1828979.002M	FLANGE METER GASKETS 2" / NO BOLT			13.11
	S1831634.002A	SDR11 HDPE PIPE PE4710 CL200 PART#6685			1,970.93
	S1831634.002B	SDR17 HDPE PIPE PE4710 CL125 PART#6690			1,795.89
	S1831634.002C	SDR11 FLANGE ADAPT BUTT HDPE PART#			196.88
	S1831634.002D	SDR11 DI EPOXY BACKING RING PART#89			116.59
	S1831634.002E	FLG 90ELL DI C110 PART#21059_WO#1306			597.53
	S1831634.002F	FLG TEE DI C100 PART#21066_WO#1306			219.07
	S1831634.002G	MUELLER GATE VALVE PART#139816_WO#			577.10
	S1831634.002H	DI SPOOL PART#1364_WO#1306			237.54
	S1831634.002I	HYMAX GRIP PART#91663_WO#1306			710.18
	S1831634.002J	8 HDPE TRIMMER HEAD RENTAL FEE PER			190.75
	S1831634.003	6 HDPE TRIMMER HEAD RENTAL FEE_WO			763.00
	S1831886.001A	VALVE BOX LID G5 CAST IRON			534.12
	S1831886.001B	METER BOX B9			1,613.56
			Total for Check Number 17195:	0.00	10,887.18
17196	00125	SCARBOROUGH LUMBER	04/30/2019		
	332575	SCREWS_FELTON LIBRARY_WO#1306			32.92
	332607	HOSE ADAPTORS_WTP			24.24
	332737	PRESSURE GAGE_SPRING ZONE LEAK DE			46.54
	332758	BLACK POLY FILM_FELTON LIBRARY_WC			29.13
	332827	SPRING ZONE LEAK DETECTION			-33.30
	332975	QUAIL FACILITY_OPS			58.27
	582940	BUCKET & CONCRETE_FELTON LIBRARY_			18.32
	582942	TRASH CANS_OPS			31.09
	582946	SPRING BOOSTER_LEAK DETECTION			23.74
	582981	HOSE BIB			16.18
	583085	A/C FILTERS			9.69
	583095	FLAG POLE LIGHTS_OPS			21.57
			Total for Check Number 17196:	0.00	278.39
17197	00168 153240	SCOTTS VALLEY SPRINKLER PRESSURE GAUGES_SHUT OFF_WTP	04/30/2019		70.16

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17197:	0.00	70.16
17198	10219 88615587-0001	SUNBELT RENTALS, INC. KIRBY_GUSHEE SINK HOLE_WO#1293	04/30/2019		697.12
			Total for Check Number 17198:	0.00	697.12
17199	10250 2019-1262	THE DIVERSITY CENTER DIVERSITY TRAINING_MARCH 21ST, 2019	04/30/2019		300.00
			Total for Check Number 17199:	0.00	300.00
17200	00369 MAY2019_369	CAROLE TRIANTAFILLOS RETIREE MEDICAL_MAY2019	04/30/2019		125.00
			Total for Check Number 17200:	0.00	125.00
17201	00129 273219	UNITED RENTALS (NORTH AMERICA) PUMP HYDROSTATIC TEST_FELTON LIBR/	04/30/2019		357.43
			Total for Check Number 17201:	0.00	357.43
17202	UB*00613	WYNN & LAURA NICHOL WHISENHU Refund Check	04/30/2019		0.27
			Total for Check Number 17202:	0.00	0.27
17203	00309 3217677406A 3217677406B 3217677406C	AT&T IP SERVICES IP SERVICES_ADMIN IP SERVICES_OPS IP SERVICES_WTP	05/03/2019		392.28 392.28 392.28
			Total for Check Number 17203:	0.00	1,176.84
17204	00686 APR_834287386A APR_834287386B APR_834287386C	AT&T LONG DISTANCE LONG DISTANCE_ADMIN LONG DISTANCE_OPS LONG DISTANCE_WTP	05/03/2019		232.50 16.28 19.35
			Total for Check Number 17204:	0.00	268.13
17205	10113 MAY19_10113A MAY19_10113B	BANK MIDWEST SOLAR LOAN_INTEREST SOLAR LOAN_PRINCIPAL	05/03/2019		788.92 2,460.98
			Total for Check Number 17205:	0.00	3,249.90
17206	UB*00624	Andrei Borysenko Refund Check	05/03/2019		75.00
			Total for Check Number 17206:	0.00	75.00
17207	UB*00616	DANIEL BURKE Refund Check	05/03/2019		75.00
			Total for Check Number 17207:	0.00	75.00
17208	UB*00620	BRION BURRELL Refund Check	05/03/2019		75.00
			Total for Check Number 17208:	0.00	75.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
17209	00415 MAY2019_415	CA BANK & TRUST/GOV SVC DEPT_10 1976 SAFE DRINKING WATER BOND	05/03/2019		15,581.43
			Total for Check Number 17209:	0.00	15,581.43
17210	UB*00617	Jim Carl Refund Check	05/03/2019		75.00
			Total for Check Number 17210:	0.00	75.00
17211	UB*00622	RIGO CARRILLO Refund Check	05/03/2019		75.00
			Total for Check Number 17211:	0.00	75.00
17212	10171 052119_10171	CWEA SERVICES CA ELAP: NV-5 PRESENTATION_WTP	05/03/2019		80.00
			Total for Check Number 17212:	0.00	80.00
17213	00204 653426579	FEDERAL EXPRESS CORP LOCATOR REPAIR_OPS	05/03/2019		91.32
			Total for Check Number 17213:	0.00	91.32
17214	UB*00623	HENKELS & MCCOY Refund Check	05/03/2019		75.00
			Total for Check Number 17214:	0.00	75.00
17215	UB*00621	SEBASTIAN HOLMES Refund Check	05/03/2019		75.00
			Total for Check Number 17215:	0.00	75.00
17216	UB*00615	AARON LARSEN Refund Check	05/03/2019		75.00
			Total for Check Number 17216:	0.00	75.00
17217	00181 142814	LAS ANIMAS CONCRETE FELTON LIBRARY MAIN RELOCATE_WO#13	05/03/2019		2,690.70
			Total for Check Number 17217:	0.00	2,690.70
17218	10249 043019_10249	BRAD MACDONALD REIMBURSEMENT FOR UNIFORM_ops	05/03/2019		22.50
			Total for Check Number 17218:	0.00	22.50
17219	00050 APN 021-291-01	CO. OF SANTA CRUZ RECORDER'S OF RECORDING FEES FOR 021-291-01	05/03/2019		14.00
			Total for Check Number 17219:	0.00	14.00
17220	UB*00618	WINSTON SHOWAN Refund Check	05/03/2019		75.00
			Total for Check Number 17220:	0.00	75.00
17221	00555 53541612	STORDOK, INC. SHREDDING SERVICE_04/18/19	05/03/2019		45.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 17221:	0.00	45.00
17222	10191 42619_10191	KEN SWEDMARK POSTAGE TO RETURN PRODUCT_WTP	05/03/2019		17.00
			Total for Check Number 17222:	0.00	17.00
17223	10231 6145873	TIAA COMMERCIAL FINANCE, INC. 5 YR LEASE NEW COPIER	05/03/2019		253.45
			Total for Check Number 17223:	0.00	253.45
17224	UB*00619	E & S TRUCKING Refund Check	05/03/2019		75.00
			Total for Check Number 17224:	0.00	75.00
17225	UB*00625	MALATHI TUERS Refund Check	05/03/2019		5.40
			Total for Check Number 17225:	0.00	5.40
17226	00721 8379956	UNITED SITE SVCS.,INC TOILET SERVICE_04/23/19-05/20/19_WO#82	05/03/2019		196.70
			Total for Check Number 17226:	0.00	196.70
			Report Total (200 checks):	0.00	317,818.90

EFT TRANSACTIONS

APRIL 2019



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

Date	Check No	Vendor	Description	Amount
4/2/2019	EFT	BLUEFIN	BANK FEES	\$ 5,551.30
4/2/2019	EFT	MERCHANT TRANSACT	BANK FEES	\$ 767.62
4/11/2019	EFT	WELLS FARGO	BANK FEES	\$ 890.17
4/10/2019	EFT	PAYCHEX	ADMIN & DELIVERY FEES	\$ 227.65
4/10/2019	EFT	PAYCHEX	PAYROLL	\$ 103,718.54
4/12/2019	EFT	PAYCHEX	PAYCHEX INVOICE	\$ 401.93
4/24/2019	EFT	PAYCHEX	ADMIN & DELIVERY FEES	\$ 230.90
4/24/2019	EFT	PAYCHEX	PAYROLL	\$ 104,114.86
4/26/2019	EFT	CALPERS	RETIREMENT BENEFITS	\$ 35,414.13
4/15/2019	EFT	BOARD OF EQUALIZATION	SALES TAX FILING 2018	\$ 401.00
TOTAL EFT TRANSACTIONS				\$ 251,718.10

0084 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 04/10/19: \$114,466.37****TRANSACTION SUMMARY**

SUMMARY BY TRANSACTION TYPE -	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	103,718.54
	TOTAL NEGOTIABLE CHECKS	10,747.83
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	114,466.37
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	14,943.44
	CASH REQUIRED FOR CHECK DATE 04/10/19	129,409.81

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
04/09/19	WELLS FARGO BANK, NA	xxxxxx1358	Direct Deposit	Net Pay Allocations	67,153.41	67,153.41
04/09/19	WELLS FARGO BANK, NA	xxxxxx1358	Taxpay®	Employee Withholdings		
				Social Security	7,326.82	
				Medicare	1,713.51	
				Fed Income Tax	12,520.38	
				CA Income Tax	4,782.28	
				CA Disability	1,181.76	
				Total Withholdings	27,524.75	
				Employer Liabilities		
				Social Security	7,326.83	
				Medicare	1,713.55	
				Total Liabilities	9,040.38	36,565.13
				EFT FOR 04/09/19		103,718.54
				TOTAL EFT		103,718.54

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>
04/10/19	WELLS FARGO BANK, NA	xxxxxx1358	Payroll	Check Amounts	10,747.83	
				TOTAL NEGOTIABLE CHECKS		10,747.83

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>
04/10/19	Refer to your records for account	Information	Payroll	Employee Deductions		
				Aflc/Col Post	55.34	
				Aflc/Col Pre	335.08	

0084 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS

CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 04/10/19: \$114,466.37

REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (cont.) - 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>
04/10/19	Refer to your records for account Information		Payroll	Employee Deductions (cont.)	
				Calper 457	1,025.00
				DPer	7,547.73
				Health	928.22
				ICMA	3,607.20
				Life Ins	14.00
				PXDCA EE PRE	576.92
				PXUME EE PRE	354.62
				Union dues	499.33
				Total Deductions	14,943.44
TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES					14,943.44

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>	
04/17/19	Taxpay®	FED IT PMT Group	30,601.09
04/17/19	Taxpay®	CA IT PMT Group	5,964.04

0084 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 04/24/19: \$113,736.29****TRANSACTION SUMMARY**

SUMMARY BY TRANSACTION TYPE -	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	104,114.86
	TOTAL NEGOTIABLE CHECKS	9,621.43
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	113,736.29
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	15,009.42
	CASH REQUIRED FOR CHECK DATE 04/24/19	128,745.71

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
04/23/19	WELLS FARGO BANK, NA	xxxxxx1358	Direct Deposit	Net Pay Allocations	68,263.90	68,263.90
04/23/19	WELLS FARGO BANK, NA	xxxxxx1358	Taxpay®	Employee Withholdings		
				Social Security	7,288.60	
				Medicare	1,704.60	
				Fed Income Tax	12,068.96	
				CA Income Tax	4,620.03	
				CA Disability	1,175.58	
				Total Withholdings	26,857.77	
				Employer Liabilities		
				Social Security	7,288.58	
				Medicare	1,704.61	
				Total Liabilities	8,993.19	35,850.96
				EFT FOR 04/23/19		104,114.86
				TOTAL EFT		104,114.86

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>
04/24/19	WELLS FARGO BANK, NA	xxxxxx1358	Payroll	Check Amounts	9,621.43	
				TOTAL NEGOTIABLE CHECKS		9,621.43

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>
04/24/19	Refer to your records for account	Information	Payroll	Employee Deductions		
				Advance	58.61	
				Aflc/Col Post	55.34	

0084 A87P-7177 San Lorenzo Valley Water District

CASH REQUIREMENTS**CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 04/24/19: \$113,736.29****REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (cont.)** - 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>
04/24/19	Refer to your records for account Information		Payroll	Employee Deductions (cont.)	
				Aflc/Col Pre	335.08
				Calper 457	1,025.00
				DPer	7,555.10
				Health	928.22
				ICMA	3,607.20
				Life Ins	14.00
				PXDCA EE PRE	576.92
				PXUME EE PRE	354.62
				Union dues	499.33
				Total Deductions	15,009.42
TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES					15,009.42

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>	
05/01/19	Taxpay®	FED IT PMT Group	30,055.35
05/01/19	Taxpay®	CA IT PMT Group	5,795.61



NOSSAMAN LLP

Memorandum

TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, District Counsel

DATE: May 29, 2019

RE: Legal Department Status Report
502665-0001

I have been asked by the San Lorenzo Valley Water District (“District”) to provide information about the District’s legal expenditures in a format that is suitable for public disclosure.¹ Since the last legal department status report dated January 10, 2019, the most significant broad categories of expenses arise from providing legal advice and support in the following areas, listed in descending order of their approximate significance in terms of cost to the District:²

- Pending and anticipated litigation; primarily mediation preparation for the *Holloway & Vierra* cases
- Board meetings
- Grand Jury follow-up
- Contracts
- Other

During the past two months, pending litigation (3 cases against the District) and one anticipated litigation matter have comprised roughly one half of the legal work performed on behalf of the District. (This calculation excludes work performed by counsel appointed and paid by the District’s insurance providers.)

¹ Legal work performed for the District is confidential and privileged. Accordingly, the information provided herein is written in broad and general terms to avoid waiver and any disclosures that might compromise the District’s interests in pending or future legal matters.

² List includes general and special counsel work by Nossaman and other law firms, if any, representing the District.

Memorandum
May 29, 2019
Page 2

The most significant areas of effort over the next month are likely to include the following:

- Pending and anticipated litigation; primarily mediation of the *Holloway & Vierra* cases
- Board meetings
- District policies & procedures
- Contracts

MEMO

TO: District Manager

FROM: Director of Operations

SUBJECT: OPERATIONS DEPARTMENT STATUS REPORT
APRIL 2019

DATE: MAY 29, 2019

RECOMMENDATION:

It is recommended that the District Manager review and file the Operations Department Project Status Report for the month of April 2019.

BACKGROUND:

BLUE TANK REPLACEMENT

Delivery and install of the new tank by Superior Tank Company is complete, District Staff is in the process of completing the plumbing of the tank to the distribution system. After plumbing is complete the tank will be disinfected and sampled to be put online. Once back online full fire flow will be restored in the Manana Woods area.

During routine inspection it was discovered that the Districts Blue Tank in Manana Woods has experienced extensive corrosion to the upper ring of staves, roof and internal roof structure system. In addition to corrosion the tank experienced buckling damage from the 1989 Loma Prieta Earthquake.

PROBATION TANK REPLACEMENT

The contractor is in full construction on the replacement of the Probation tank. The old redwood tank has been taken down and off site. The contractor has been doing grading and road repairs for access of heavy equipment to the tank site. Construction is expected to continue until October 2019.

The Old 100,000 gallon redwood tank at the probation site was in very poor condition and was leaking towards the end of its life at an estimated 35-40 gallons per minute. Temporary poly tanks were installed by District staff in the summer of 2018. The system is running on minimal storage through construction. The residents of this area have been cautioned to conserve water during this time.

FELTON LIBRARY MAIN LOWERING

District staff removed and lowered a 180 feet of 6 inch main line that was discovered to be very shallow at the Felton library location fronting the parcel.

During construction it was discovered that the Districts main line running along Gushee St. in Felton fronting the new library site was only 6 inches underground. With new sidewalks and construction going on it was in the Districts best interest to lower this main line to industry standards in this area.

PASO WELL #8

The new Paso Well #8 construction continues. Well head design has been approved by the State Water Resources Control Board. The District has been working with the concrete contractor to get pricing on the construction of the Well head pad and chlorination building.

Paso Well #8 is a replacement to Paso Well #6 that began splitting in its casing in 2015, which was allowing sand to overcome the pump and motor. Many attempts to fix and seal the casing on the Well were unsuccessful leading to full replacement of the Well.

PASO WELL #5A

After staff had been running multiple different scenarios of flushing and disinfection of this Well they have achieved collecting two consecutive passing samples. Staff was able to put the Well back online and in to the distribution system.

The District received multiple calls in the Scott's Valley area of brown and dirty water in December 2018. The water quality group found that Paso Well #5A was pumping sand and gravel. The Well was pulled and video of the Well was taken. There was an area found in the screens where there was sand and gravel coming through the gravel pack and screen. It is undetermined what caused the sand and smaller gravel to begin to come through the gravel pack and screens, could have been ground movement or the pump and motor hitting the side of the Well column during a start or stop.

SCADA (Supervisory control and data acquisition) UPGRADE

In April 2019 the new SCADA system was put in to live operation. The SCADA system will continue to be fine-tuned. With the new SCADA system up and operational District staff continues adjusting and making changes to the system.

The District is about 99% done with conversion of the new SCADA and HMI system. Our equipment and software were out of date and had been crashing needing restarting and rebooting several times a month, leading to this upgrade. District staff has been working with an outside contractor that was contracted to do the upgrade and replacement.

FELTON WATER SYSTEM WATER METER REPLACEMENT

Domestic water meters are being replaced as existing meters have reached their life expectancy. Meters are being changed to the new Beacon “Eye on Water” system that will allow customers to monitor their water usage over the internet.

MAINTENANCE ISSUES

Service Line Replacement Lompico
Service Line Replacement:
12120 Colman Ave.

Main Line Repairs
Replaced 30 feet of main line on San Lorenzo Ave. in Felton

System Wide
Constructed 60 feet of a 4 foot retaining wall on the Blue tank site
Hazel St. and River Rd. replaced two main line valves
Installed a production meter and pressure gauges at Sprig booster
Investigation of a sink hole at Gushee and Kirby St. Felton
Installed a new Badger 4 inch compound meter at SLV High School
Replaced a two inch valve on the back wash basins at Kirby Treatment Plant
Completed main line flushing
Remodeled the Engineering office in the Administrations building
Installed a backflow at 685 Fiddlesticks Rd. Ben Lomond
15+/- Mainline/Service Line Leaks Were Repaired.

James Furtado

Director of Operations

SAN LORENZO VALLEY WATER DISTRICT PRODUCTION COMPARRISON

Source	April-18	March-18	April-13	Difference This Year To 2013
North System				
Surface Water Sources				
Foreman Creek	21,817,480	16,583,277	25,458,000	
Peavine Creek + Hydro	1,350,040	296,674	4,340,000	
Clear Creek	6,786,288	8,314,829	0	
Sweetwater Creek	4,524,192	5,543,220	0	
Sub-Total (Streams)	34,478,000	30,738,000	29,798,000	15.71%
Wells (North)				
Olympia No. 2	1,000	4,365,000	0	
Olympia No. 3	-	290,000	0	
Quail Well No. 4-A	516,000	924,000	5,506,000	
Quail Well No. 5-A	203,900	316,700	2,161,800	
Sub Total North Wells	720,900	5,895,700	7,667,800	-90.60%
South System Wells				
Pasatiempo 5A	7,093,700	5,869,500	N/A	
Pasatiempo 6	-	-	7,713,000	
Pasatiempo 7	-	-	2,456,000	
Sub Total Pasatiempo Wells	7,093,700	5,869,500	10,169,000	-30.24%
North South All Sources Combined	42,292,600	42,503,200	47,634,800	-11.21%
Felton System - Surface Water				
Fall Creek	4,366,435	3,741,598	8,284,270	
Bennett Spring	2,680,832	4,087,820	3,020,500	
Bull 1 & 2	822,052	1,608,200	3,561,900	
Total Felton System Sources	7,869,319	9,437,618	14,866,670	-47.07%
Manana Woods System				
Well 1	-	-	386,725	
Total Manana Woods Sources	-	-	386,725	
Sub - Total Production				
North / Felton / Manana	50,161,919	51,940,818	62,888,195	-20.24%
Surface	42,347,319	40,175,618	44,664,670	-5.19%
Wells	7,814,600	11,765,200	18,223,525	-57.12%
Total Surface Water Percentage	84.42	77.35	71.02	18.87%
Total Wells Percentage	15.58	22.65	28.98	-46.24%

**SAN LORENZO VALLEY WATER DISTRICT
PRODUCTION BY SYSTEM
+/- INTERTIES
April 2018**

North System All Sources	42,292,600
Interties IN +	186,157
Interties OUT -	1,633,836
TOTAL NORHT SYSTEM	40,844,921
Felton Water system All Sources	7,869,319
Interties IN +	861,219
Interties OUT -	0
TOTAL FELTON SYSTEM	8,730,538
Manana Woods System	
Manana Woods Well 1	0
Interties IN +	402,816
TOTAL MANANA WOODS	402,816

**SAN LORENZO VALLEY WATER DISTRICT
INTERTIE USAGE
April 2018**

INTERTIE 2

SLVWD to SVWD 0

SVWD to SLVWD 0

INTERTIE 3

SLV SOUTH to SLV NORTH 186,157

SLV NORTH to SLV SOUTH 772,617

INTERTIE 4

SLVWD to MHWD 0

MHWD to SLVWD 0

INTERTIE 6

SLV NORTH to SLV FELTON 861,219

SLV FELTON to SLV NORTH -

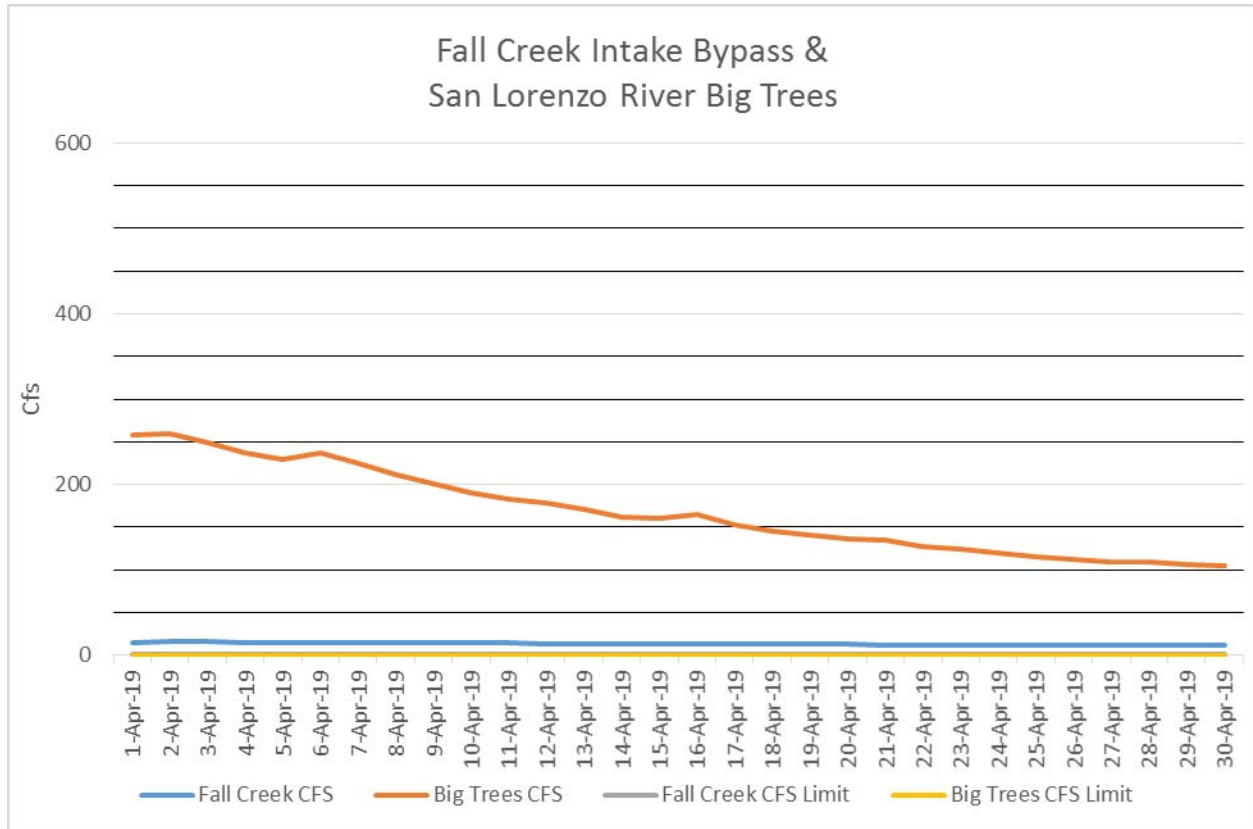
LOMPICO INTERTIE

SLV NORTH to LOMPICO

MANANA WOODS INTERTIE

SLVWD to MANANA WOODS

Fall Creek Intake April 2019



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 0.5 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 April 2019

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

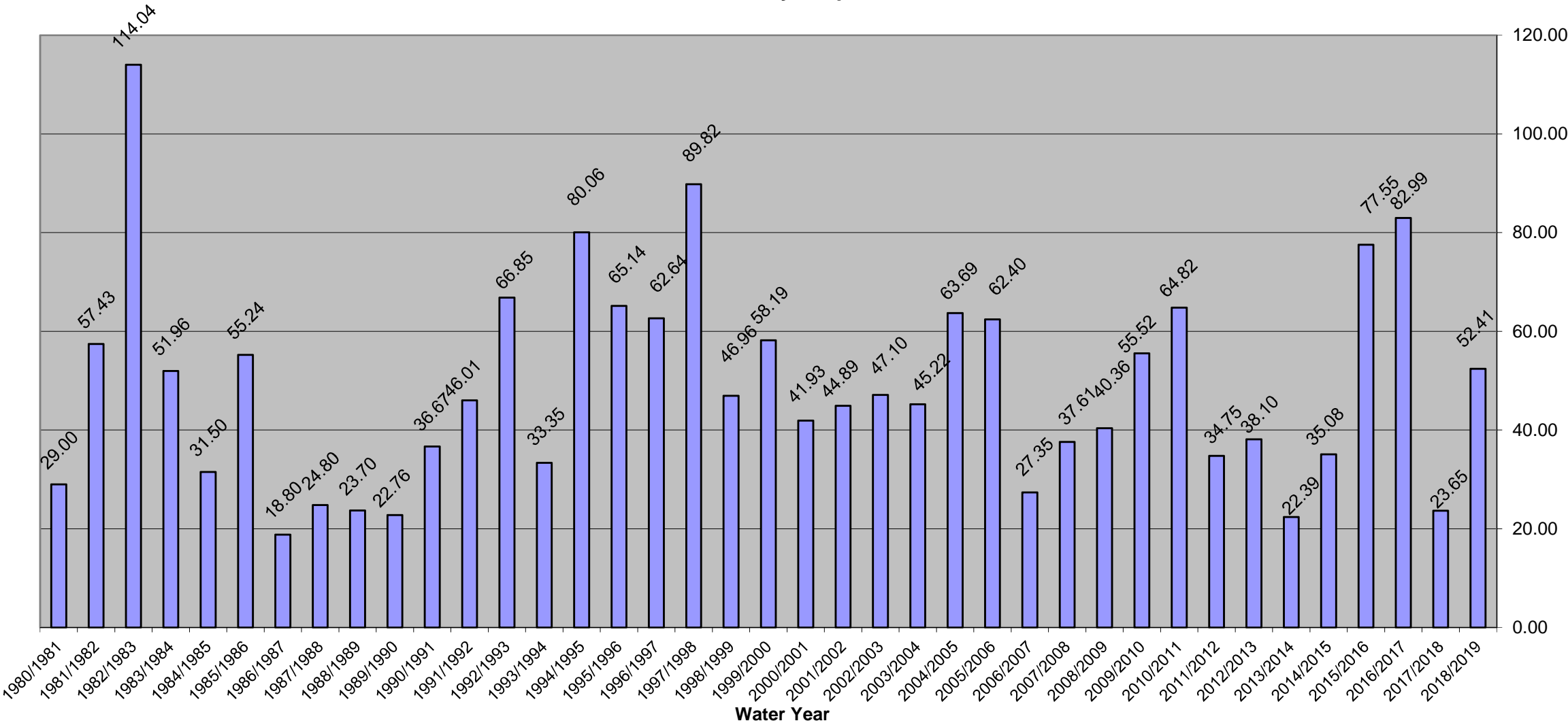
Agenda: 5/29/19

Normal Year: 12.5

	Month:	April	Year:	2019	Big Trees > 26,500 Acre-ft Oct-Feb Normal Year				Big Trees <26,500 Acre-ft Oct-Feb Dry Year		
							X				
Date	Time	Initials	Pump #	Fall Cr. GPM into Kirby plant	Weir Board Height (inches)	Fall Creek Bypass (CFS)	Big Trees Bypass (CFS)	Rainfall (Felton gauge)	Met Fall Cr, Bypass Requirement: Normal Year April 1 - Oct 31 1.0 cfs; Nov 1 - March 31 1.5 cfs Dry Year April 1 - Oct 31 0.5 cfs Nov. 1 - March 31 0.75 cfs (yes/no)	Met Big Trees Requirement Nov-May 20cfs Sept 10 cfs Oct 25 cfs (yes/no)	Notes
1	0744	SS	1	106	25	15.1	258	0	Yes	Yes	
2	0745	JG	1	0	25	15.88	260	0.45	Yes	Yes	Plant Off
3	1110	TH	1	101	25	15.49	249	0.15	Yes	Yes	
4	0730	JG	1	85	25	15.32	237	0.05	Yes	Yes	
5	0745	SS	1	80	25	15.15	229	0.04	Yes	Yes	
6	1245	JG	1	82	25	15.33	237	0.50	Yes	Yes	
7	0920	JG	1	75	25	15.29	225	0	Yes	Yes	
8	0900	KS	1	74	25	15.02	211	0	Yes	Yes	
9	0800	SS	1	145	25	14.78	201	0	Yes	Yes	
10	1010	SS	1	133	25	14.33	190	0	Yes	Yes	
11	0830	KS	1	70	25	14.01	183	0	Yes	Yes	
12	0730	SS	1	90	25	13.83	178	0	Yes	Yes	
13	1000	HO	1	85	25	13.62	171	0	Yes	Yes	
14	0945	HO	1	83	25	13.44	162	0	Yes	Yes	
15	0800	SS	1	113	25	13.18	160	0	Yes	Yes	
16	0800	JG	1	61	25	13.44	165	0.30	Yes	Yes	
17	0800	JG	1	85	25	12.94	153	0	Yes	Yes	
18	0800	SS	1	77	25	12.87	146	0	Yes	Yes	
19	0750	SS	1	80	25	12.60	141	0	Yes	Yes	
20	0720	KS	1	58	25	12.54	137	0	Yes	Yes	
21	0730	KS	1	84	25	12.23	135	0	Yes	Yes	
22	0735	SS	1	102	25	12.13	128	0	Yes	Yes	
23	0805	SS	1	101	25	12.04	125	0	Yes	Yes	
24	1030	KS	1	87	25	11.82	120	0	Yes	Yes	
25	0900	KS	1	65	25	11.76	116	0	Yes	Yes	
26	0730	JG	1	80	25	11.48	113	0	Yes	Yes	
27	0910	HO	1	98	25	11.40	109	0	Yes	Yes	
28	09352019	HO	1	105	25	11.41	109	0	Yes	Yes	

29	0730	JG	1	95	25	11.39	107	0	Yes	Yes	Agenda: 5.29.19
30	0730	JG	1	92	25	11.31	104	0	Yes	Yes	Item: 12.5
31	:										

**San Lorenzo Valley Water District
Annual Rainfall History Graph**



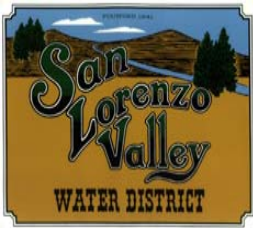
**SAN LORENZO VALLEY WATER DISTRICT
MONTHLY RAINFALL DATA SUMMARY
DATA COLLECTED AT SLVWD OFFICE 13060 HIGHWAY 9, BOULDER CREEK**

WATER YEAR 2018/2019

Date	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Total
1	0.00	0.00	0.18	0.00	0.78	0.06	0.03	0.00	0.00	0.00	0.00	0.00	1.05
2	0.00	0.00	0.01	0.00	2.94	1.24	0.33	0.00	0.00	0.00	0.00	0.00	4.52
3	0.00	0.00	0.00	0.00	1.15	0.09	0.00	0.00	0.00	0.00	0.00	0.00	1.24
4	0.01	0.00	0.24	0.00	1.76	0.01	0.00	0.00	0.00	0.00	0.00	0.00	2.02
5	0.00	0.00	0.26	1.39	0.33	0.51	0.33	0.00	0.00	0.00	0.00	0.00	2.82
6	0.00	0.00	0.00	4.51	0.01	2.21	0.03	0.00	0.00	0.00	0.00	0.00	6.76
7	0.00	0.00	0.01	0.00	0.01	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.09
8	0.00	0.00	0.00	0.23	0.74	0.06	0.00	0.00	0.00	0.00	0.00	0.00	1.03
9	0.00	0.00	0.01	0.62	0.58	0.69	0.00	0.00	0.00	0.00	0.00	0.00	1.90
10	0.00	0.00	0.00	0.00	0.38	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.73
11	0.00	0.00	0.01	0.47	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
12	0.00	0.00	0.00	0.01	0.26	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.28
13	0.00	0.00	0.01	0.00	3.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.61
14	0.00	0.00	0.00	0.15	1.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.63
15	0.00	0.00	0.01	2.44	0.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.10
16	0.00	0.00	1.77	2.41	0.49	0.01	0.01	0.00	0.00	0.00	0.00	0.00	4.69
17	0.00	0.00	0.20	0.48	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85
18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	0.00	0.00	0.00	0.00	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.03
20	0.00	0.00	0.00	0.47	0.01	0.96	0.00	0.00	0.00	0.00	0.00	0.00	1.44
21	0.00	1.72	0.01	0.02	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	1.76
22	0.00	0.99	0.01	0.01	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	1.10
23	0.00	0.82	0.00	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.00	0.00	1.16
24	0.00	0.04	0.55	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60
25	0.00	0.00	0.00	0.08	0.01	0.68	0.00	0.00	0.00	0.00	0.00	0.00	0.78
26	0.00	0.00	0.01	0.01	1.84	0.12	0.00	0.00	0.00	0.00	0.00	0.00	1.98
27	0.00	0.26	0.00	0.00	1.97	0.64	0.00	0.00	0.00	0.00	0.00	0.00	2.87
28	0.00	1.72	0.00	0.00	<u>0.02</u>	0.11	0.00	0.00	0.00	0.00	0.00	0.00	1.85
29	0.00	1.33	0.00	0.00		0.01	0.00	0.00	0.00	0.00	0.00	0.00	1.34
30	0.00	<u>0.00</u>	0.00	0.23		0.00	<u>0.00</u>	0.00	0.00	0.00	0.00	<u>0.00</u>	0.23
31	<u>0.00</u>		<u>0.00</u>	<u>0.45</u>		<u>0.00</u>		0.00		<u>0.00</u>	<u>0.00</u>		<u>0.45</u>
TOTAL	0.01	6.88	3.37	13.92	19.21	8.29	0.73	0.00	0.00	0.00	0.00	0.00	52.41

WATER YEAR 2017/2018

Date	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Total
1	0.00	0.00	0.01	0.00	0.01	2.44	0.00	0.00	0.00	0.00	0.00	0.00	2.46
2	0.00	0.00	0.00	0.00	0.00	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.55
3	0.00	0.15	0.03	0.40	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.77
4	0.00	0.03	0.00	0.20	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.24
5	0.00	0.00	0.00	0.38	0.01	0.01	0.30	0.00	0.00	0.00	0.00	0.00	0.70
6	0.00	0.01	0.00	0.10	0.00	0.00	1.26	0.00	0.00	0.00	0.00	0.00	1.37
7	0.00	0.00	0.01	0.01	0.00	0.00	0.86	0.00	0.00	0.00	0.00	0.00	0.88
8	0.00	0.58	0.00	3.66	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	4.28
9	0.00	0.79	0.01	0.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.41
10	0.00	0.06	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
11	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.25
12	0.00	0.00	0.01	0.00	0.00	0.56	0.08	0.00	0.00	0.00	0.00	0.00	0.65
13	0.00	0.08	0.00	0.00	0.00	0.90	0.00	0.00	0.00	0.00	0.00	0.00	0.98
14	0.00	0.00	0.01	0.01	0.00	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.32
15	0.00	0.12	0.00	0.01	0.00	0.67	0.08	0.00	0.00	0.00	0.00	0.00	0.88
16	0.00	2.46	0.01	0.00	0.00	0.27	0.25	0.00	0.00	0.00	0.00	0.00	2.99
17	0.00	0.02	0.00	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.15
18	0.00	0.01	0.00	0.16	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18
19	0.05	0.01	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08
20	0.16	0.00	0.14	0.01	0.00	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.64
21	0.00	0.00	0.01	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04
22	0.00	0.01	0.01	0.57	0.06	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.98
23	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.04
24	0.00	0.00	0.00	0.59	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.60
25	0.00	0.01	0.00	0.06	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.11
26	0.00	0.76	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.06
27	0.00	0.45	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.46
28	0.00	0.01	0.00	0.01	<u>0.43</u>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45
29	0.00	0.00	0.01	0.01		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.03
30	0.00	<u>0.01</u>	0.01	0.00		0.00	<u>0.00</u>	0.00	0.00	0.00	0.00	<u>0.00</u>	0.02
31	<u>0.00</u>		<u>0.00</u>	<u>0.00</u>		<u>0.00</u>		0.00		<u>0.00</u>	<u>0.00</u>		<u>0.00</u>
TOTAL	0.21	5.57	0.29	6.81	0.86	6.78	3.09	0.04	0.00	0.00	0.00	0.00	23.65

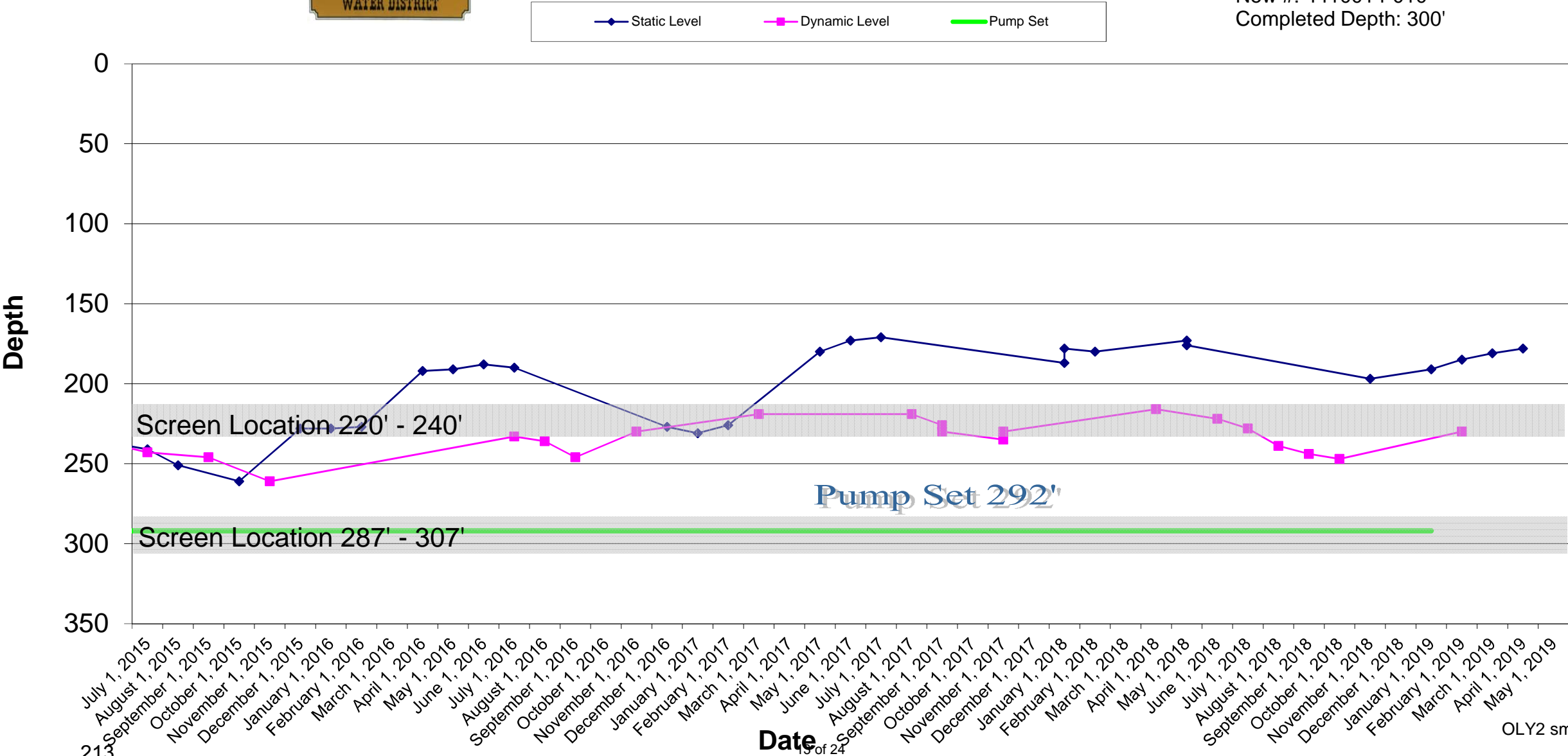


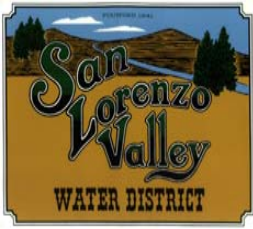
SAN LORENZO VALLEY WATER DISTRICT

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'



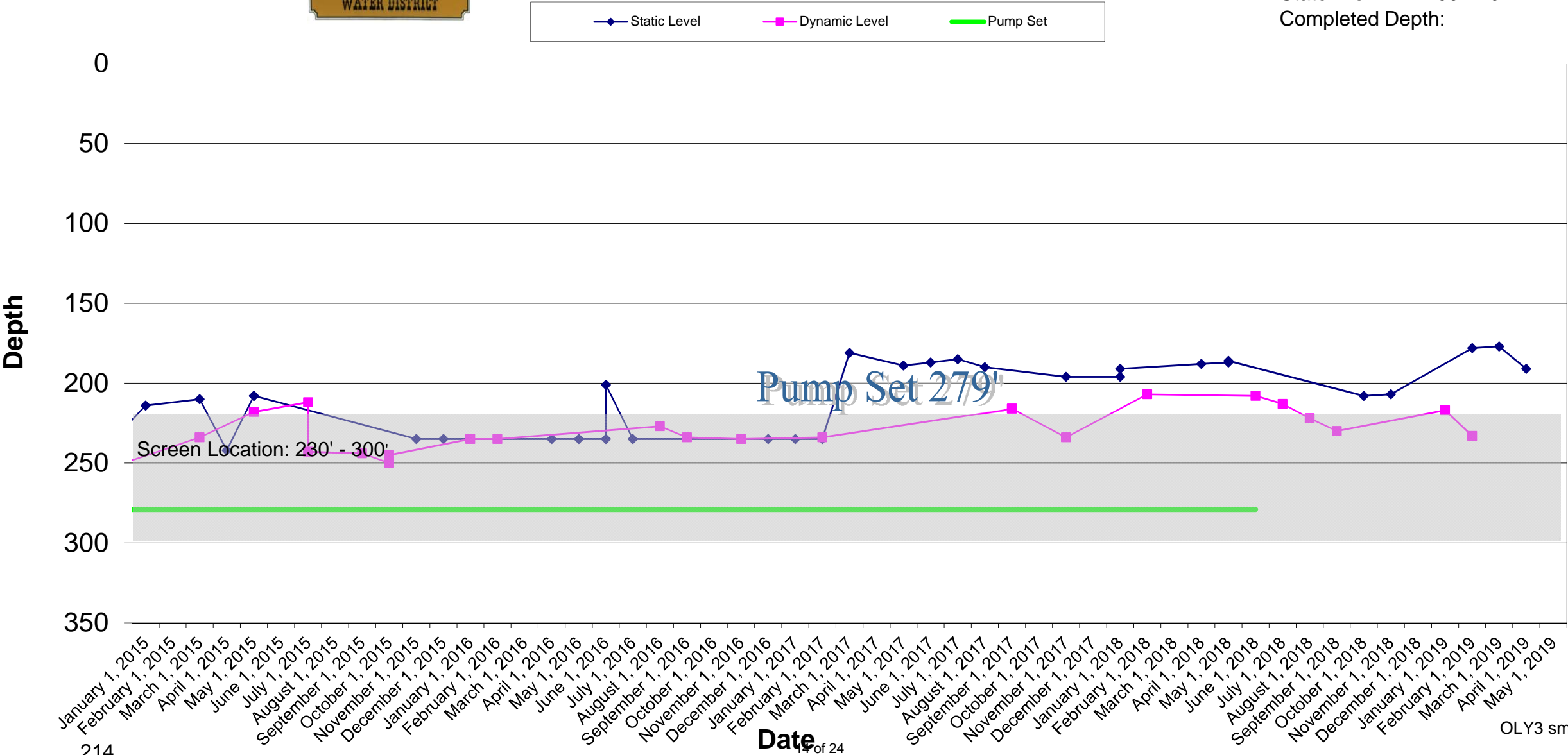


SAN LORENZO VALLEY WATER DISTRICT

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:



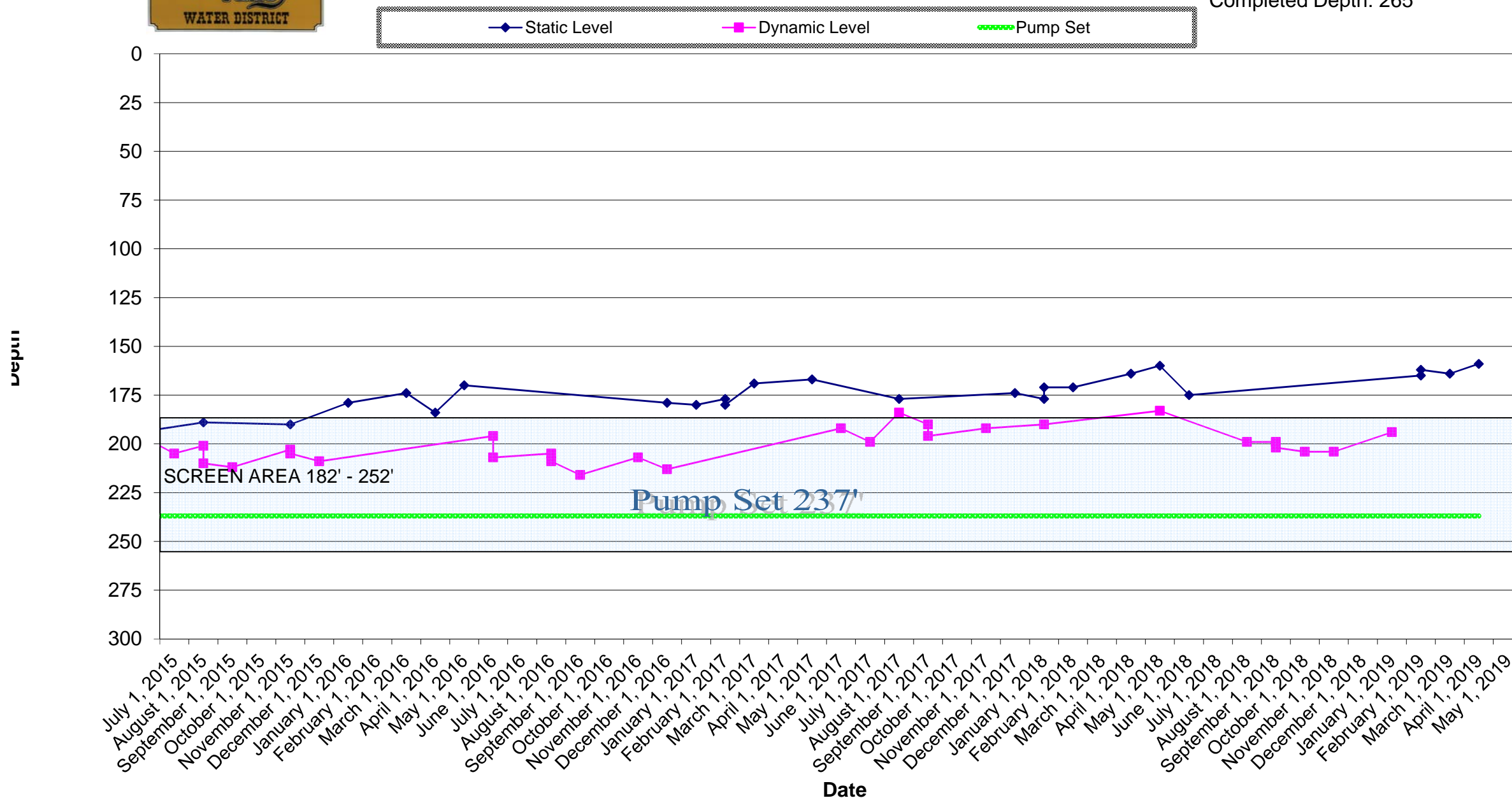


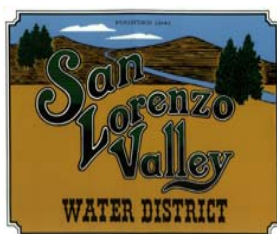
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Quail Well 4-A

Location: Cumora Ln. Ben Lomond
Elevation: 596.54 ft @ Pad
Installed: 6-07-2001
State Well #: 4410014-026
Completed Depth: 265



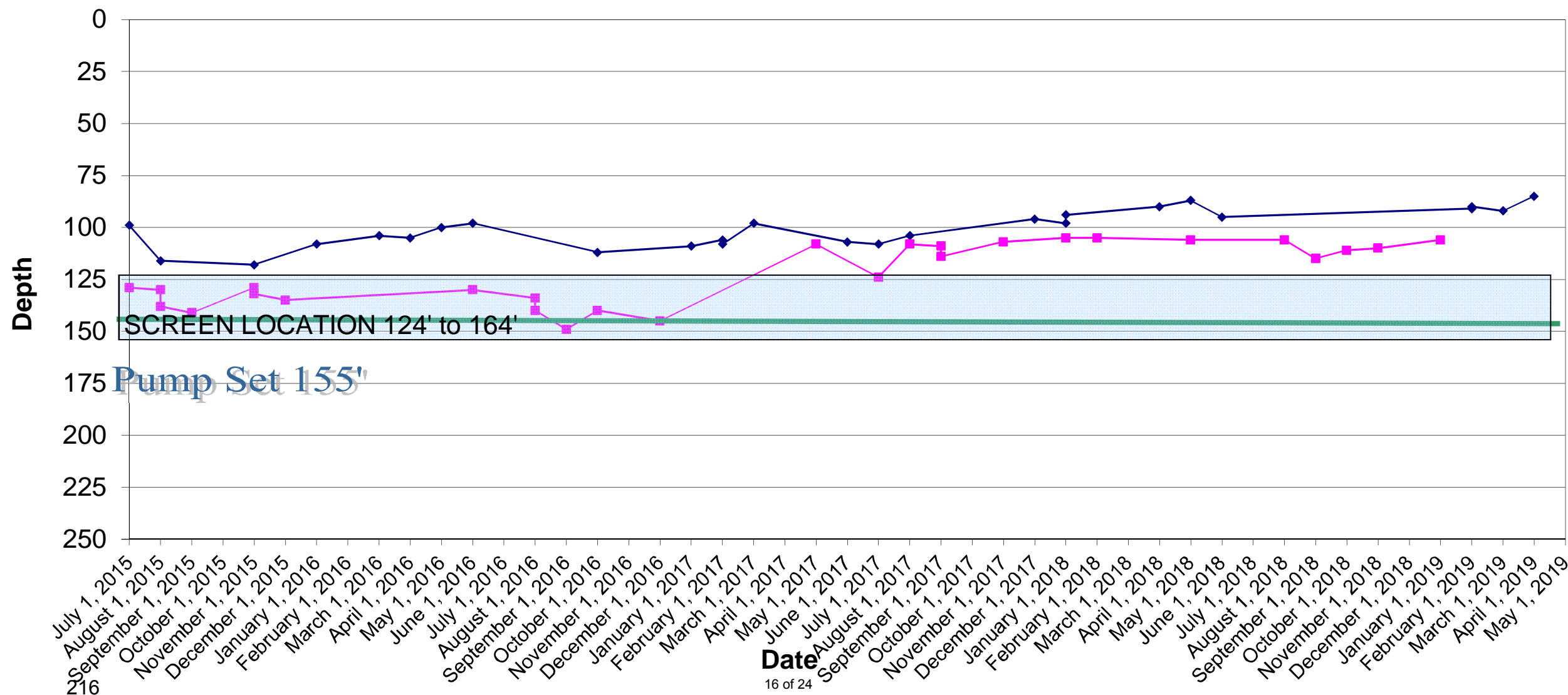
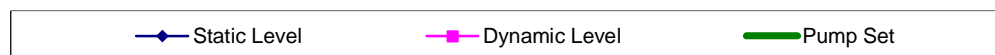


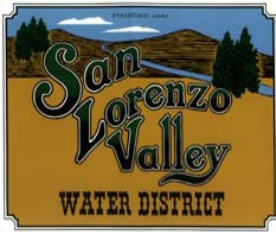
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Quail Well 5-A

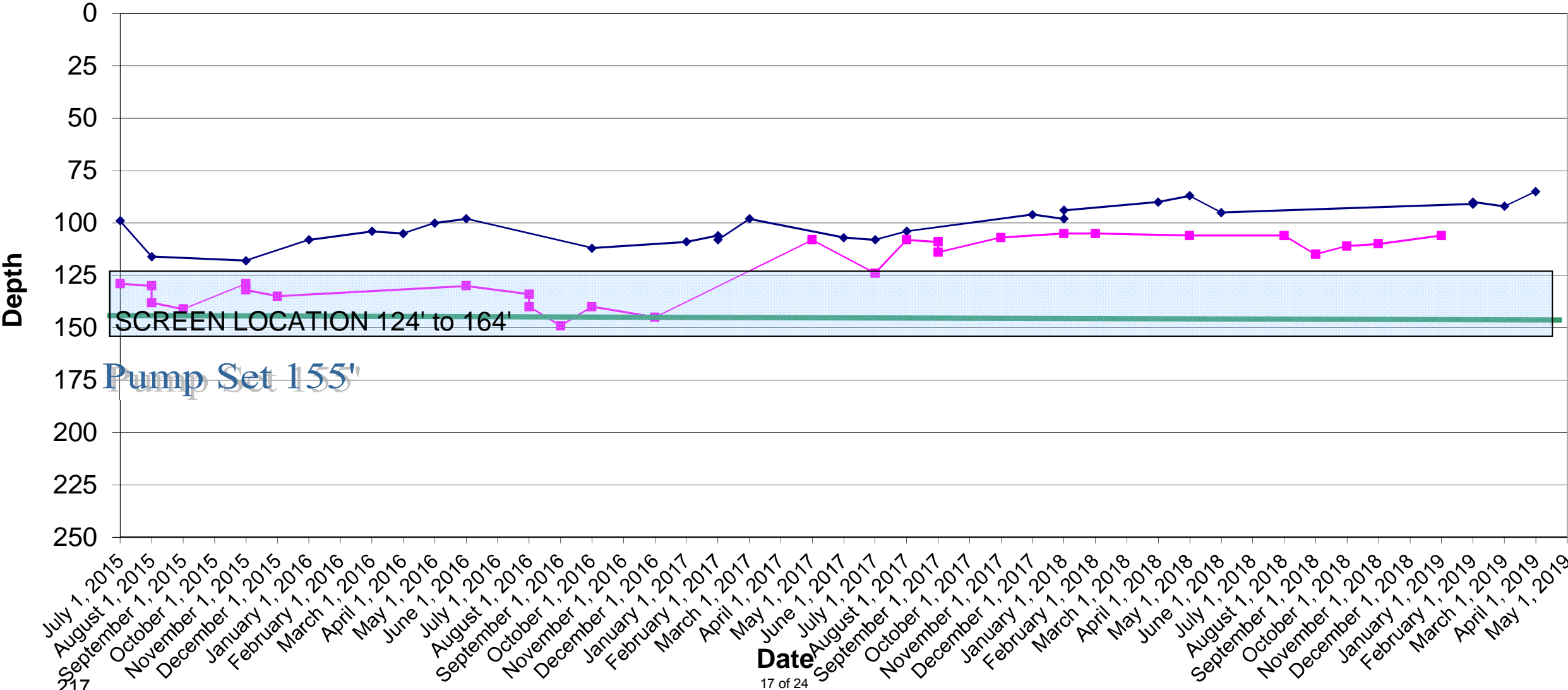
Location: 1161 Quail Hollow Rd.
Ben Lomond
Elevation: 517.65 ft. @ Pad
Installed: March 2000
State Well #: 4410014-025
Completed Depth: 174'





SAN LORENZO VALLEY WATER DISTRICT
Well Drawdown Report
Quail Well 5-A

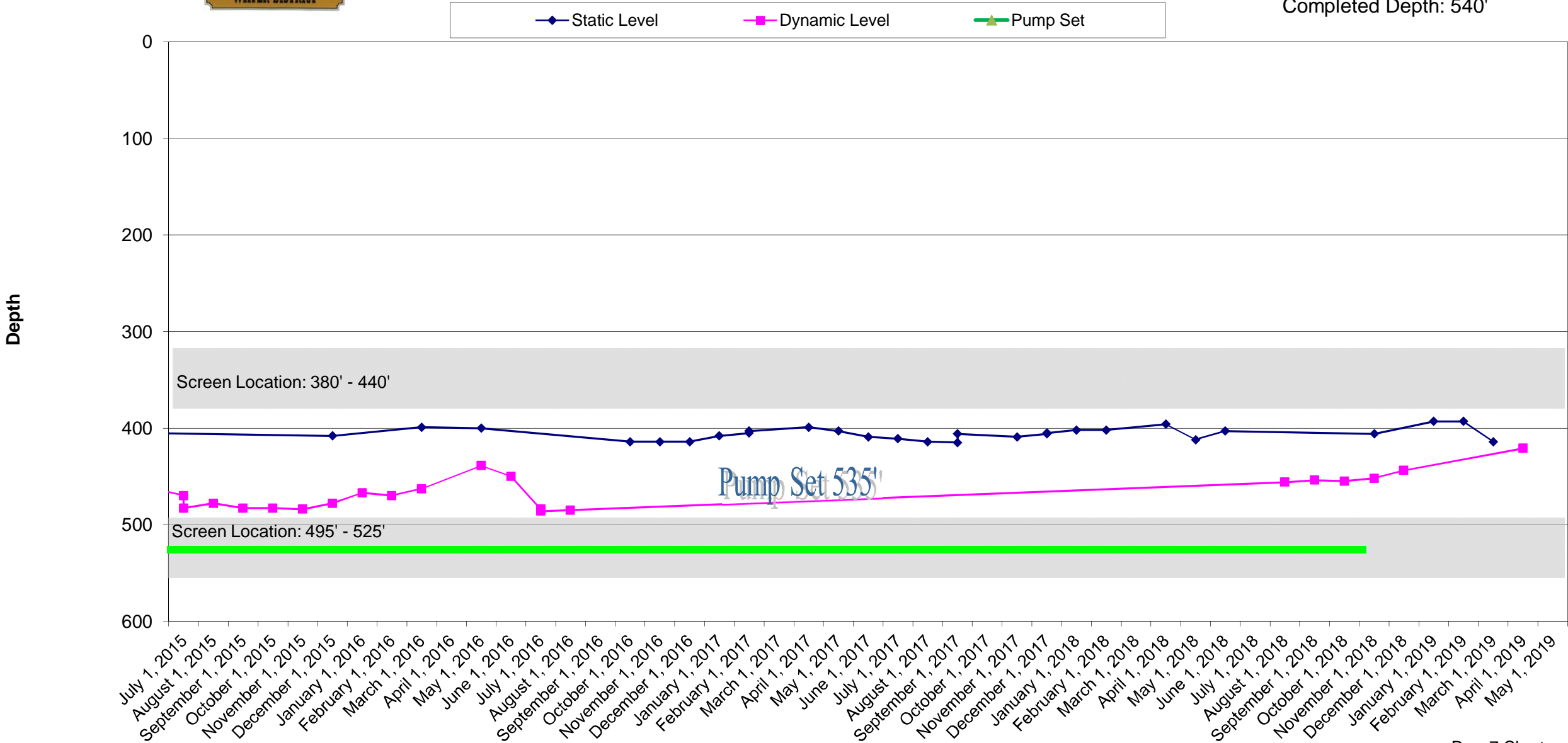
Location: 1161 Quail Hollow Rd.
Ben Lomond
Elevation: 517.65 ft. @ Pad
Installed: March 2000
State Well #: 4410014-025
Completed Depth: 174'





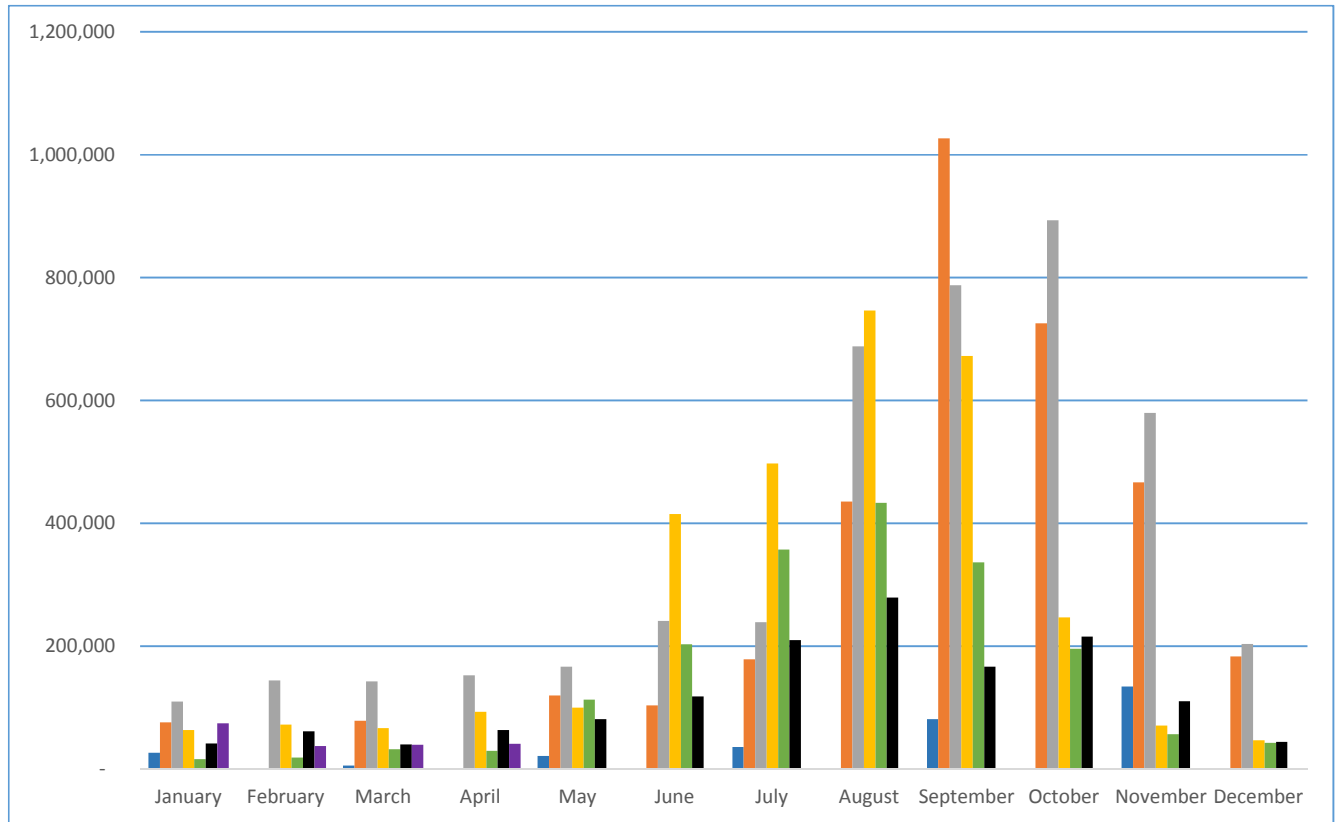
SAN LORENZO VALLEY WATER DISTRICT
Well Drawdown Report
Pasatiempo 7

Location: South of Probation
Center
Elevation: 734' MSL
Installed: July 21, 1990
State Well #: 4410014-024
Completed Depth: 540'



SAN LORENZO VALLEY WATER DISTRICT
BULK WATER SALES
GALLONS
April 2019

Agenda: 5.29.19
Item: 12.5



Month	2013	2014	2015	2016	2017	2018	2019
January	26,928	76,296	109,965	63,850	16,456	41,888	74,800
February			144,364	72,556	18,700	61,366	37,400
March	5,984	78,540	142,868	66,572	32,164	40,392	39,644
April			152,592	93,500	29,920	63,580	41,140
May	21,692	119,680	166,804	100,232	112,948	81,532	
June		103,972	240,983	415,140	203,179	118,184	
July	35,904	178,772	239,360	497,420	357,544	210,188	
August		435,336	688,160	746,504	433,092	279,004	
September	81,352	1,026,256	787,644	672,183	336,570	166,804	
October		725,560	893,112	246,840	195,976	215,424	
November	134,640	466,752	579,700	71,060	56,848	110,704	
December		183,260	203,456	47,124	42,636	44,132	
Totals	306,500	3,394,424	4,349,008	3,092,981	1,836,033	1,433,198	192,984

SAN LORENZO VALLEY WATER DISTRICT
MONTHLY LEAK REPORT
April 2019

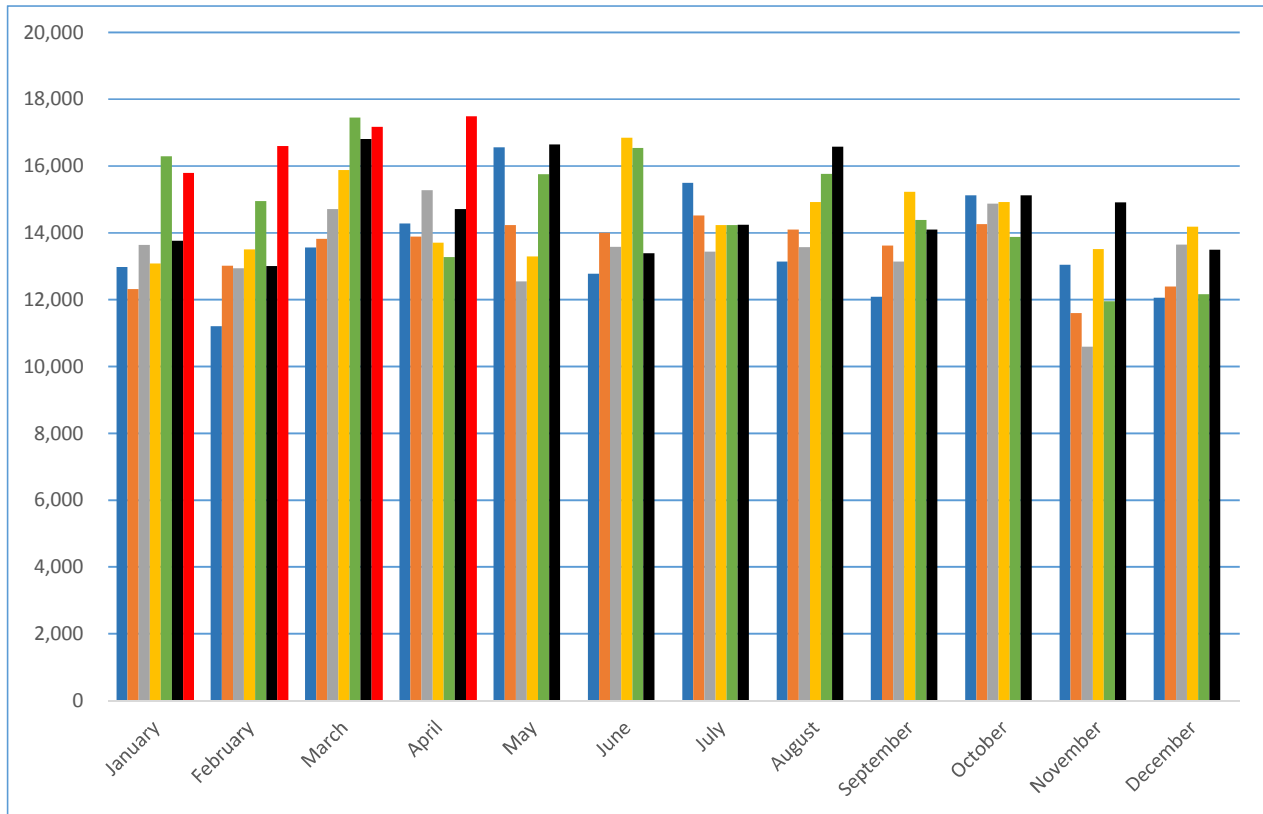
Agenda: 5.29.19
Item: 12.5

Leak Type	Location - NORTH SYSTEM	Town	Gallons Lost
400 MAIN LEAKING	135 MADRONE WAY	BEN LOMOND	120
400 MAIN LEAKING	135 MADRONE WAY	BEN LOMOND	2520
400 MAIN LEAKING	SCINIC WAY/HILLCREST	BEN LOMOND	240
400 MAIN LEAKING	8945 REDWOOD	BEN LOMOND	9,360
400 MAIN LEAKING	LOVE CREEK	BEN LOMOND	56,160
400 MAIN LEAKING	822 RIVER DR.	BOULDER CREEK	1,440
400 MAIN LEAKING	230 APPLE KNOLL	BOULDER CREEK	200
400 MAIN LEAKING	FAIRVIEW SOUTH SIDE OF BRIDGE	BOULDER CREEK	200
400 MAIN LEAKING	635 SUNSET RD	BOULDER CREEK	720
400 MAIN LEAKING	CORNER OF JANITA RD. APPLE KNOLL	BOULDER CREEK	4,320
400 MAIN LEAKING	206 MADRONA	BOULDER CREEK	25,900
400 MAIN LEAKING	225 BRIER DRIVE	BOULDER CREEK	17,280
400 MAIN LEAKING	635 SUNSET RD	BOULDER CREEK	100
400 MAIN LEAKING	SHILOH CT	BOULDER CREEK	23,040
400 MAIN LEAKING	RIVERSIDE & ANNIES WAY	BROOKDALE	2,520
Total North			144,120
FELTON SYSTEM			
412 TANK LEAKING	981 MADRONA DR.	FELTON	76,500
400 MAIN LEAKING	12120 COLEMAN AVE	FELTON	4,320.00
Total Felton			80,820
LOMPICO			
400 MAIN LEAKING	10825 LAKE BLVD	LOMPICO	100
Total Lompico			100
SCOTTS VALLEY			
Total Scotts Valley			-
Total All Systems			225,040

				Water Quality Complaint List						
Date Received	Type Of Complaint							Address	Conclusion	System
	Taste/ Odor	Color	Turbidity/ Particles	Worms/ Other Visible Organisms	Pressure (High/Low)	Illness (Waterborne)	Other (Specify)			
4/1/2019	X						Customer stated that water had a strong chlorine odor.	182 Russell Dr	Upon investigation by SLVWD staff at customers residence, water quality results appeared to be normal and within range at customers front hose bib. Free chlorine was 0.9 mg/L. Customer was notified of results.	SLVWD-Felton
4/2/2019		X					Customer noticed reddish/brown water on the evening of 4/1/2019	870 Madrona Dr	Upon investigation by SLVWD staff at customers residence, water quality results appeared to be normal and within range at customers front hose bib. Free chlorine was 0.8 mg/L, turbidity was 1.2 NTU and no color was detected in the water in a field visual examination. Customer was asked to collect a sample if the colored water returns.	SLVWD-Felton
4/18/2019	X						Customer states that water has smelled like plastic or playdough for last few weeks	615 Robinhoods Hollow	Upon investigation by SLVWD staff, water quality results were normal and within range at customers front hose bib. Free chlorine was 0.9 mg/L and only a slight chlorine odor was noticed in field odor sample. Notified customer of results and instructed customer to flush all internal plumbing if odor is still detected.	SLVWD-North
4/23/2019		X					Customer states that water appears murky after filling hot tub.	250 Fox Ct	Upon investigation by SLVWD staff, water quality results were normal and within range at customers front hose bib. Free chlorine was 0.6 mg/L, turbidity was 0.88 NTU and the water visually was running clear. It was determined that the source of the murky water was located somewhere within the hot tub components. Customer was advised to contact a spa technician..	SLVWD-North

SAN LORENZO VALLEY WATER DISTRICT
VEHICLE MILEAGE
April 2019

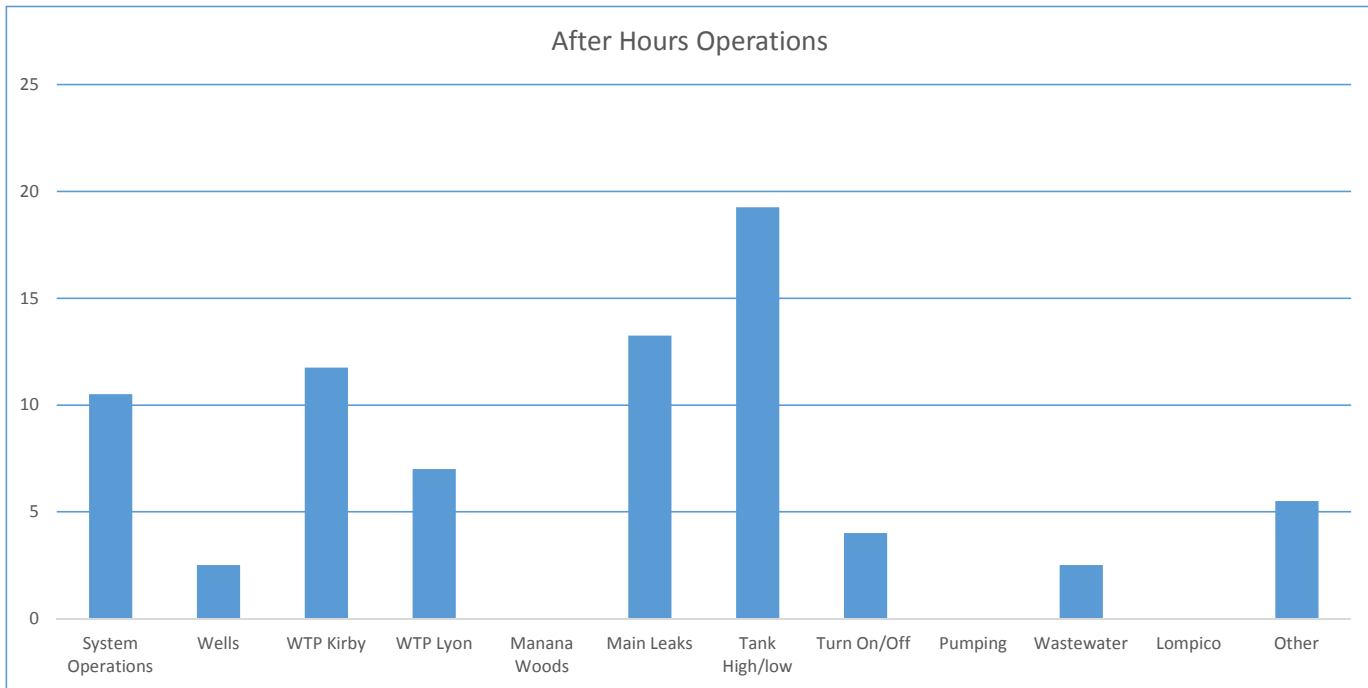
Agenda: 5.29.19
 Item: 12.5



<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	12,976	12,317	13,633	13,082	16,286	13,763	15,790
February	11,201	13,015	12,934	13,505	14,945	13,003	16,599
March	13,558	13,817	14,714	15,882	17,451	16,809	17,167
April	14,283	13,883	15,279	13,704	13,270	14,711	17,488
May	16,560	14,228	12,550	13,290	15,757	16,646	
June	12,780	14,000	13,582	16,841	16,534	13,390	
July	15,497	14,519	13,441	14,228	14,229	14,242	
August	13,136	14,096	13,569	14,923	15,761	16,576	
September	12,087	13,622	13,137	15,229	14,388	14,094	
October	15,120	14,261	14,868	14,924	13,880	15,126	
November	13,046	11,594	10,591	13,510	11,952	14,908	
December	12,060	12,394	13,648	14,187	12,158	13,492	
Totals	162,304	161,746	161,946	173,305	176,611	176,760	67,044

SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
 April 2019

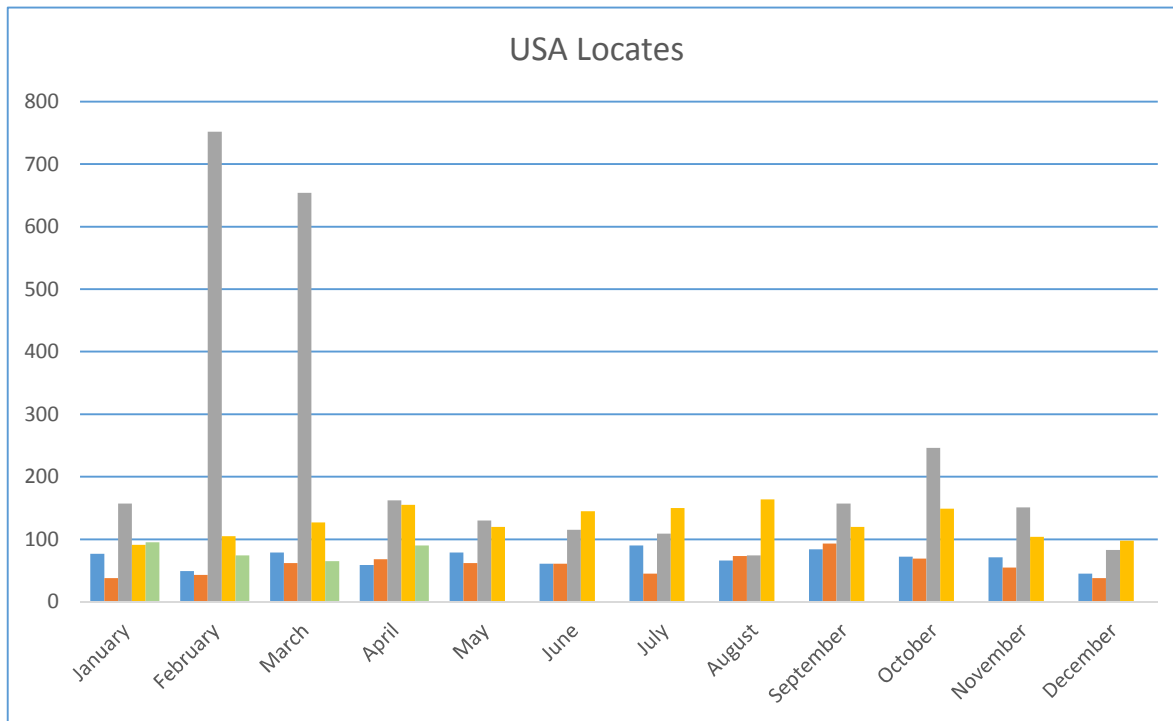
Agenda: 5.29.19
 Item: 12.5



Description	Hours		2015	2016	2017	2018	2019
System Operations	10.5	January	N/A	145.00	280.75	90.50	96.50
Wells	2.5	February	N/A	86.50	192.25	72.00	180.00
WTP Kirby	11.75	March	N/A	153.75	105.75	80.25	106.25
WTP Lyon	7	April	82.50	72.00	128.75	19.00	76.25
Manana Woods	0	May	104.75	49.25	132.75	105.5	
Main Leaks	13.25	June	172.50	83.25	112.75	89.00	
Tank High/low	19.25	July	124.25	80.25	162.00	145.25	
Turn On/Off	4	August	111.75	81.25	141.25	134.5	
Pumping	0	September	230.25	175.00	201.25	155.25	
Wastewater	2.5	October	128.25	78.50	104.00	111.5	
Lompico	0	November	114.25	96.25	122.50	197.5	
Other	5.5	December	186.25	130.75	134.00	220.25	
Total	76.25		1254.75	1231.75	1818.00	1420.50	459.00

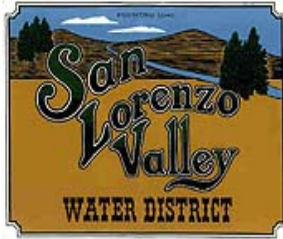
SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
April 2019

Agenda: 5.29.19
 Item: 12.5



<u>Month</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	77	38	157	91	95
February	49	43	752	105	74
March	79	62	654	127	65
April	59	68	162	155	90
May	79	62	130	120	
June	61	61	115	145	
July	90	45	109	150	
August	66	73	74	164	
September	84	93	157	120	
October	72	69	246	149	
November	71	55	151	104	
December	45	38	83	98	
Total to Date	832	707	2,790	1528	324





MINUTES OF BUDGET & FINANCE COMMITTEE MEETING

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

Tuesday, April 9, 2019 at 9:00 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, California.

MINUTES

1. Convene Meeting 9:00 am
Roll Call: L. Sanders, L. Henry, B. Fultz
Staff: R. Rogers, S. Hill & H. Hossack
2. Oral Communications: None
3. Old Business:
 - A. REVIEW RESERVE FUND POLICY
B. Fultz introduced this item.
S. Hill explained the changes due to GASB. Reserve funds should be more fluid and not a specific dollar amount.
The Committee discussed the Reserve Fund Policy.
S. Hill said the next item will be the Capital Reserve Fund.
The Committee discussed the Capital Reserve Fund.
S. Hill explained the Restricted Reserves and specific debt covenants. On 2 of the loans we have to hold a year's worth.
The Committee discussed the Restricted Reserves.
The Committee discussed Emergency Reserves. An emergency will be either operating or capital.
S. Hill suggested a revamp with monthly tracking. She can work on a plan and bring back a proposal.
The Committee discussed the Capital Reserves. A deeper dive needs to be done on this subject. A workshop should be set up for this issue. S. Hill will put together a couple of models of options to start funding the reserves. The policy needs to be set and then work toward the goal.
C. Baughman said that rates will have to be readdressed. Long term water inflationary rates will have to be determined and worked in the calculation.
B. Holloway-Boulder Creek, no matter how much or how little you make you can always save something. Look at the purpose for the reserves, when state matching funds are available we want to have the funds needed in reserves. He also pointed out that the District has unfunded liabilities for CalPERS & OPEB.
S. Hill has created a trust fund to fund our unfunded liability.
The Committee discussed the possible buckets for Reserves and unfunded liability. The buckets are Unfunded Liabilities, Reserves, Infrastructure, Deferred Maintenance.

V. Champlin he heard a good advocate for policy and then it rapidly degenerated. Policy is goals, he doesn't see the discussion about setting the goals.
D. Loewen says to put it in the budget.
L. Henry said that the District needs goals beyond our budget.

4. New Business:

A. FY2019/20 BUDGET REVIEW - REVENUE & EXPENSES

B. Fultz introduced this item.

L. Henry said that she really liked the page 8 narrative saying why things are the way they are.

S. Hill said that all quarterly reports follow the same format, if something needs to be highlighted, she will call it out. She explained the spread sheets and detail.

The Committee discussed the revenue & expenses line by line.

B. Holloway said it is confusing to have SMGWA under professional services. The Committee continued the discussion.

B. Holloway questioned who is the lender on the Probation Tank.

S. Hill responded Capital One

C. Baughman questioned the cost of generators.

S. Hill responded that will be capitalized. Questioned if the Committee is in agreement to bring the memo and backup to the Board.

B. GRANT PROGRAM FUNDING

B. Fultz introduced this item. This is the follow up to the Board suspension the of the Grant Program funding. The Board said it would send the discussion to the B & F Committee. From a cost point of view do we have a sense of how much staff time is spent on administering the grants?

S. Hill it would be Environmental staff time.

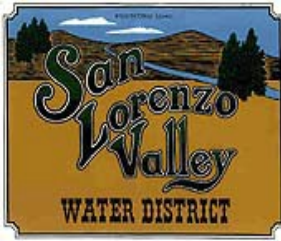
B. Fultz said that people in the community have approached him to say, if we take the notion that this money was originally taken out of the Waterman Gap funding as part of giving back to the community. That money is gone. During the meeting where we did the suspensions there were questions about whether there was a way for people to voluntarily provide money to the District that would be earmarked for certain programs.

The Committee discussed this issue.

B. Holloway he is confused by why you would want to involve the District in a charitable donation.

5. Informational Material: None.

6. Adjournment 10:53



MINUTES OF ENVIRONMENTAL COMMITTEE MEETING

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

Thursday, April 11, 2019 at 9:30 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, California.

MINUTES:

1. Convene Meeting 9:30 a.m.
Roll Call: K. O'Connor, B. Fultz, E. Fresco were present. J. Supp was on teleconference but not participating.
Staff: R. Rogers, J. Michelsen, H. Hossack

B. Fultz explained the teleconference situation with J. Supp.
2. Oral Communications:

C. Baughman noted that invasive species management on watershed property appears not to be funded in 2019/20. He would like to add how to manage the property in light of glyphosate banning to the next Environmental Comm agenda.
3. Old Business: None
4. New Business:
 - A. UPPER ZAYANTE STREAM WOOD ENHANCEMENT PROJECT COOPERATIVE AGREEMENT
B. Fultz introduced this item.
J. Michelsen explained that in 2014 the Board elected to support stream enhancement on the Upper Zayante Stream. Upper Zayante has been identified as the most important stream for Coho recovery in the San Lorenzo Watershed. Jen introduced Resource Conservation District of Santa Cruz, Executive Director, Lisa Lurie and Technical Program Director, Kelly Camara.
L. Lurie thanked the District for their partnership and leadership in watershed management. Salmonid recovery and habitat is important to water quality protection. They have been working on acquiring funds through grants since 2014. The project also includes City of SC property. A contractor has been lined up to perform the work. She is excited to say that the contractor bid came in under budget. The RDC is anxious to move on the final stage of the project.
J. Michelsen added that over the years this project has come to the Board several times. In 2014 the concept was introduced to the Board. In 2015 the District submitted letters in support of the project. In 2017 the District signed an access agreement. Now this is the final cooperative agreement.
K. Camara explained the permitting procedure. Local, State and Federal agencies, with the exception of Federal Fish and Wildlife, have issued 10 year permits to cover the restoration activities.
J. Michelsen explained the reason for this process. The Board had previously authorized the District Manager to approve the cooperative agreement when it was ready. She is bringing this to the Environmental Committee to go over the project and to reauthorize the DM to execute the cooperative agreement.
E. Fresco said it sounds like a great project. She asked if it was all grant funded. (Yes.)

K. O'Connor agreed that it is exciting.

J. Michelsen noted that the salvaged trees from PG&E fire protection project will be used on this project so it won't be necessary to buy any wood.

B. Fultz questioned the approval of access agreement.

J. Michelsen said the access agreement is not an easement. It simply allows the contractor to go on to the property for installation.

K. Camara said that RDC is asking for access for the installation and the monitoring period.

B. Fultz said he is not clear about the terms and conditions of the agreement. J. Michelsen said that the Board agreed to cooperate and to authorize the DM to negotiate the terms.

K. Camara said that the Board signed the same agreement in 2013 for the Fall Creek project, authorizing the DM to sign.

K. O'Connor asked if this is a standard agreement. (Yes.)

B. Fultz said he is concerned around financials. Who's responsible for maintenance?

K. Camara said they are not expecting wood to shift. Monitoring will be coordinated with the County.

B. Fultz questioned if the logs are fixed onto the ground.

K. Camara said there are 4 different types of structures that have varying degrees of how they are connected; there's cabling, there's lodged between other logs, there's boulders. They will work with the County to manipulate the structure, if necessary.

B. Fultz questioned who will pay for that or the replacement of the logs.

K. Camara said logs won't be replaced. The logs are being put in the stream to mimic nature.

B. Fultz asked if a log was to get loose and cause damage, who is responsible for the damage?

K. Camara said that part of the agreement is agreeing to the longer term maintenance obligations of the project. That transfers to the landowner.

B. Fultz said that he noticed there was an indemnification clause. He didn't understand what that meant. He wants the project to go forward but he doesn't want SLVWD to be responsible for anything in the future.

L. Lurie in this case the language has been in prior agreements the District has signed off on.

K. Camara said that the cooperators agreement was written in 2002. It was written more for the landowner coming to the RCD asking for assistance. We can look toward mutual indemnification.

B. Fultz said to be very clear, he is not interested in mutual indemnification. He wants to ensure that if anything arises out of this the SLVWD will not be held responsible in any way.

K. O'Connor said that he sees the role of the District as being responsible for the watershed. The District does have to take responsibility for restoring the watershed.

B. Fultz questioned what is the District using that property for.

R. Rogers replied that it is just watershed. We don't take any water off of it. At one time we logged the property.

J. Michelsen said that we don't have surface diversion on Zayante. We do have a surface diversion on Lompico which feeds Zayante. A significant amount of our groundwater production comes from both sides of Zayante Creek. So the District is benefitting from the service of that stream by using groundwater.

R. Rogers said that we are not using Lompico at this time and likely will not use it. In 1982 or 83 the District received rainfall of over 100". There were log jams on District property that resulted in damage to a large amount of homes and many lawsuits. These creeks were a lot different, very steep. The District lost many of the lawsuits for not keeping the watershed more sanitary. That's all changed now we're putting woody debris back into the streams. The Zayante Stream is very flat; you don't have fast moving water. The houses are very few. The District has always had a working relationship with the fisheries in the San Lorenzo Valley doing projects that enhance fisheries at the same time we're taking water out of the stream. Our cooperation has earned us recognition.

B. Fultz questioned if he recalls who paid for the projects.

R. Rogers believes the District paid for them. The County might have helped. Back in those days the cost was minimal. In those days it was a one-page Fish & Game permit. R. Rogers said he would like District Counsel to take a look at this agreement. B. Fultz would like this to go back to board. He is not prepared to agree to this as is. J. Michelsen questioned if he would agree to letting the DM negotiate the agreement. B. Fultz said he thinks this is a significant policy decision and policy goes to the Board. He wants to the record to reflect that both Elaine and Kevin want to proceed but Bob wants a different kind of review.

R. Rogers is agreeable to having legal review the agreement and taking it to the Board. K. Camara said that the next timeline is to send the notification to agencies on May 15th. She would like to have the cooperator agreement signed by that time. R. Rogers said we send this Dist. Counsel and say we need your review. E. Fresco questioned if there is a commitment to make this decision. She asked Bob if it is his position that the Board accept absolutely no liability? B. Fultz said as an individual Board member, he believes that the District's ongoing financial liability, rather legal or maintenance, should be as low as possible down to preferably zero. K. O'Connor said that a lot of work has gone into this, he hopes the District doesn't pull out at the last minute. R. Rogers plans to have this on the May 2nd BoD meeting. He said he has to protect the District on all projects. B. Fultz said the we are small. We have no resources if the feds and state want to take on these projects, that's great, but we have no money to take on long term liability. He believes the consensus is to take the agreement to the District Counsel and then take this item to the Board on May 2nd. He said it should be noted that there is a disagreement on the Committee regarding this item but there is no disagreement on the end goal. C. Baughman asked if the debris slows the water in an actual flood event. Perhaps it would be a good thing, protecting properties down below. K. Camara said that their civil engineering firm has said that they will not increase flood risk at, above or below each structure. C. Baughman said he is in favor of getting something done on this. He questioned if the City of Santa Cruz has similar property. K. Camara said that part of the project is on land owned by the Water District and part is on City owned property. * L. Lurie said that the paperwork has been completed with the City. (see *) C. Blanchard questioned how far downstream are the first homes. (Unknown) C. Baughman questioned if there is any way to quantify the amount of groundwater recharge with which we would benefit and see what the value of that would be in terms of replacement costs or getting that water somewhere else and balance that against the financial risk. J. Michelsen said that sounds like an extensive hydrologic assessment. B. Fultz said it's a great question but it probably won't change how he is thinking about it. It would be interesting to know the answer. K. Camara said she will ask. B. Fultz said we have an action item to take to the Board.

B. EDUCATION COMMISSION AND CLASSIC WATERSHED GRANT PROGRAM FUNDING OPPORTUNITIES

B. Fultz explained the background on this item. J. Michelsen gave the history of the program. This program started with the sale of the Waterman Gap property. The money from the sale became the general fund. This program was funded through the Waterman Gap money and so was the operations. B. Fultz said that he didn't understand. The Waterman Gap money was in a reserve fund. Funds like that are generally not mixed in to general funds. It was his understanding that the interest on the Waterman Gap money was being used to subsidize ongoing operations expenses. R. Rogers said the some of the funds were used for the purchase of watershed. The interest did go into the operations. At that time, we had 8 or 10 capital accounts.

J. Michelsen she that she spoke to Finance Director and she said it went mainly into the general fund.

B. Fultz said he wanted to give his perspective. The Board could have made it more explicit as to how to fund the program. The rational was clear, some of the money would go to public education.

J. Michelsen continued with the history of the program. The District has funded 95 projects since 2004. The program costs \$2.09 per connection per year.

K. O'Connor said he enjoys seeing the variety of projects over the years. He is very supportive of this project. He questioned how many groups do watershed education grants.

J. Michelsen said there were 2 before this year. The other was funded by the Fish & Wildlife Commission at the County which was funded through fines. Both of the grant programs were suspended this year. The question is, can we find other means of funding? She has not found a grant that funds grants.

B. Fultz questioned the County program's amount of funding.

J. Michelsen the amount of funding varied with the amount of fines.

B. Fultz said that there was a lot of interest in voluntary contributions. This route is well intentioned but not practical for the District. It would trigger an expensive point audit.

J. Michelsen said that she wrote a memo in 2015 when she noticed that there were many repeat recipients of grants. Since then, her view has changed regarding repeat recipients. For example, Jane Orbuch had students that were doing a deep drive into science literacy for several consecutive years.

C. Baughman in 2014 Dir. Fultz clearly supported this program, what changed?

B. Fultz said as he was looking into costs and the mission, he doesn't think the mission supports what we are trying to do here. If previous Boards persisted in preserving this program, they would have allocated a reserve fund. Infrastructure needs more emphasis.

E. Fresco said she like Jen's phrase of environmental literacy. Even the infrastructure discussion requires a certain amount of public education.

B. Fultz agreed but said that the infrastructure needs upgrading. He questioned if there is any other organization that can take this program over.

K. O'Connor suggested the community foundation. The comments made earlier about the mission of the District, it should see itself as a steward of the watershed. He said perhaps we can reduce the amount of money, but still educate.

The Committee and staff continued to discuss the program.

B. Fultz said in its current form there is no support from the Board. With retooling maybe. The Environmental team needs to be focused on projects for supply water.

K. O'Connor questioned how does the discussion get to the Board.

B. Fultz said that the meeting is recorded and minutes are posted. He makes sure that the information reflects a mix of opinions.

C. WATER CONSERVATION REQUIREMENTS/REBATE PROGRAM UPDATE
Bring back to next meeting

5. Informational Material: None

6. Adjournment 11:15

*Jen,

At the environmental committee meeting yesterday, the question came up of whether the City had already signed the cooperator agreement, and if the agreement they signed was the same as that presented to the SLVWD. I responded that yes, the city had already signed this same cooperator agreement. Following the meeting, I double checked with our project manager and learned that I had misspoken, and that in fact we have not yet presented the cooperator agreement to the City for this particular project. Can you please pass along this corrected information to the committee and make sure the meeting record reflects the accurate response? I apologize for my misstatement, and don't want that misinformation to perpetuate. We will be following up with the city on this agreement shortly. Thank you for helping to pass along that message.

I will follow up with you and Rick regarding legal review and revisions to the indemnity language of the agreement. We look forward to coming to an agreement that works for both our agencies and moving this important project forward.

thanks

Lisa Lurie
Executive Director
Resource Conservation District of Santa Cruz County
820 Bay Avenue, Suite 136
Capitola, CA 95010
831.464.2950 ext.27
llurie@rcdsantacruz.org



MINUTES OF SPECIAL LOMPICO ASSESSMENT DISTRICT OVERSIGHT COMMITTEE MEETING

Responsible for review of matters of revenue and expenses directly related to Assessment District 2016-1 projects.

Wednesday, April 17, 2019 at 6:00 pm at the District Ops Bldg., 13057 Hwy. 9, Boulder Creek, CA.

AGENDA

1. Convene Meeting 6:01 p.m.
Roll Call: M. LoBalbo, T. Norton, D. Loewen
Staff: H. Hossack
2. Oral Communications: None
3. New Business:
 - A. ANNUAL REPORT WORKSHOP
T. Norton introduced the Committee packet. The Report won't be published until the July 2019 yearend report is received from Finance.
Discussion by the Committee:
 - DM Rick Rogers will write a letter explaining the changes to the original Assessment District.
 - Gravity water system for loss of water.
 - Link history to report
 - One-page summary with link to entire report
 - Make full copy available to anyone that wants one.
 - Copies available at the libraries.
 - List of everybody that has been on the committee
 - Photos: welcome sign, steel tanks, flushing, waterfall (Mary Ann)
 - First charter and changes.
 - Q & A at the back of the report.
 - Brown Act Training
 - Grand Jury report
 - Add SLVWD logo to the report
 - Come back together with updates for Purpose and History (from charter).
 - Wordsmithing changes to the charter. (Toni & Mary Ann)
 - Links to all paperwork regarding the Assessment District
 - Map of Lompico with tanks, pumps and pipes (if allowed)
 - Integrate Toni's report and Deb's data
 - Charts and graphs for financials
 - Description for each project from Rick (Deb - with historical information)
4. Adjournment 7:02

Next workshop meeting to be 5:30 the week of May 20th (Holly to schedule)



MINUTES OF ADMINISTRATION COMMITTEE MEETING

Covering Policy, Administration and Community
Relations/Communications

Wednesday, May 1, 2019 at 8:30 am at the Johnson Building,
12788 #3, Highway 9, Boulder Creek, California.

AGENDA

1. Convene Meeting 8:30 am
Roll Call: L. Henry, B. Fultz, M. Bounds, C. White, A. Benkert
Staff: R. Rogers, S. Hill, H. Hossack
2. Oral Communications: None
3. Old Business:
 - A. DISTRICT WEBSITE RFP EVALUATIONS
S. Hill introduced this item. She explained the late Streamline proposal. She also suggested that the cost proposals be opened.
Discussion by the committee regarding initial impressions of applications.
V. Champlin gave his opinion on the applications. He said that certification for ADA compliance is important.
Discussion by committee continued.
S. Hill read pricing options for Streamline.
Discussion of Streamline pricing by committee and public.
S. Hill read Civic CMS pricing.
Discussion by committee regarding Civic CMS pricing.
S. Hill read pricing for Revize & Studio Holladay.
Discussion by committee, staff and public.
R. Rogers suggested that we ask for demos from the top 2 for the full board.
Discussion by committee.
B. Fultz closed out this item.
 - B. ADMINISTRATION/OPERATIONS FACILITY
R. Rogers said that he wants to form an ad hoc or citizen's advisory committee to work on this process. He will come back to the committee with options.
S. Hill said that in June or July of 2017 the Board deemed the Admin Bldg. unfit and named it surplus with intent to sell. At that time staff was tasked with finding space to rent in place of the Admin Bldg. Staff was unable find commercial space to replace the Admin Bldg.
R. Rogers noted that our dry storage area, the Old Zayante Fire Station, just had a car go through it so all of the dry storage files have been moved to the Johnson Bldg. The County is planning to take that building any day and replace the bridge there, so we don't want to put money into it.
S. Hill said in 2017 there was also the option of putting the Johnson Bldg. up for sale.
R. Rogers said we have been looking at all of our different holdings and what we need and do not need. A lot of the work has been done, it just needs to be looked at again.
L. Henry said she is in favor of Citizen Advisory Committee rather than ad hoc.
R. Rogers said he will speak with Dist. Counsel regarding the committee.
Discussion by committee and staff.
E. Frech asked what the County is giving the District for the Old Zayante Fire Station property.

R. Rogers said he is in touch with the County but doesn't know at this point what we will be getting for the property. He explained the history of the property and the plan for relinquishing it.

4. New Business: None
5. Informational Material: None.
6. Adjournment 9:27



MINUTES OF BUDGET & FINANCE COMMITTEE MEETING

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

May 7, 2019 at 9:00 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, California.

MINUTES

1. Convene Meeting 9:00
Roll Call: Henry, Fultz, Sanders were all present
Staff: R. Rogers-Dist. Manager, S. Hill-Dir. of Finance, H. Hossack-Dist. Sec.
2. Oral Communications: None
3. Old Business:
 - A. FY2019/20 BUDGET REVIEW
R. Rogers said that before he turns this over to S. Hill he wants to point out that she has put in an enormous amount of time on this process.
S. Hill described her process.
B. Fultz said he hasn't had an opportunity to review the information.
L. Sanders this budget is very good as far as it goes. He doesn't find much aspirational content. He would like an add'l column *BoD target*.
S. Hill introduced the FY 2019/20 budget review.
Committee and staff discussed the Reserves v. Reserve Fund Policy.
B. Fultz questioned the operating steps. Does it include deferred maintenance?
S. Hill explained that the District always has deferred maintenance. Staff did not cut deferred maintenance items but they have called it out for the Board to decide how to handle it.
Committee and staff discussed the deferred maintenance/capital projects v. regular maintenance.
B. Fultz described his ideas of what the budget needs and how to present it to the public.
S. Hill described the focus of today's discussion. Capital projects were described.
B. Fultz said we should sell naming rights for the tanks.
S. Hill said that the Swim tank was one of the projects we went out to bid on last year but the only bid we received was 3 x the engineer's estimate. The bid was rejected. It has now been rolled into the USDA loan package.
R. Rogers described the Fall Creek Fish Ladder project.
L. Sanders questioned what would be the consequences and from whom would they come if we took this off of the budget this year.
R. Rogers said we would probably get enforcement action from Cal Fish and Wildlife and National Marine Fisheries. We have been working on this project for 4 or 5 years. We are finally about to get it across the finish line.
Committee and staff discussed specific projects.
D. Loewen thinks Lee had a good idea and unfunded liability is a big part of the budget.
Committee and staff continued discussion on specific projects.
Committee and staff Water Master Plan discussion and specific projects.
S. Hill introduced high level forecasting. Discussion by committee and staff.
L. Sanders questioned why are we talking about rate increases.

Committee and staff explained and discussed the five-year stated rate increase.
D. Loewen said she was confused she heard something else at the last B & F meeting.
Committee and staff discussion regarding 5% reduction of budget.
S. Hill summarized her budget changes.
Committee and staff discussion of budget changes.
V. Champlin there is a lack of outreach from the District to the public.
Discussion by Committee and staff.
S. Hill introduced summary of items to review
Discussion by committee, staff and public.
S. Hill continued with deferred maintenance and equipment purchases.
Discussion by Committee, staff and public regarding deferred maintenance and equipment purchases.
S. Hill continued with facilities study.
Discussion by Committee, staff and public regarding a facilities study.
V. Champlin agreed with Dir. Fultz. Individuals should deal with their bank. He would like the existing on-line mechanism to sign up for electronic bills, it is fraud.
Discussion by Committee, staff & public regarding on-line payments.
S. Hill continued with cuts to the budget.
Discussion by Committee & staff regarding budget cuts.
C. Baughman noted that the Pasatiempo wells are depleted by SLVWD as well as Scotts Valley.
B. Fultz responded.
L. Summers compared the monitoring to going to the doctor annually.
B. Fultz responded.
S. Hill continued with the key items remaining in the Environmental budget. She asked for Board direction on the conservation programs.
Discussion by Committee and staff.

4. New Business: None
5. Informational Material: None.
6. Adjournment 11:19



**Environmental Committee for the SLV
VALLEY WOMEN'S CLUB of San Lorenzo Valley
PO Box 574, Ben Lomond, CA 95005
831/338-6578**

May 1, 2019

SLV Water District Board of Directors
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Dear President Henry and Director Fultz, Smallman and Swan,

We are deeply concerned that your Draft Budget has already demonstrated a clear disregard for the protection and preservation of the very Watershed that our water supply depends upon, and that your comments and discussion thus far confirm this.

All on this Board have repeatedly claimed to be environmental stewards who love their mountain home. Each of you has claimed an understanding of the importance of the health of the watershed and its waterways – and the interdependence of all its inhabitants.

How you prioritize spending in the District's budget readily demonstrates to the community and your water Partners whether or not you understand the importance of the District's on-going stewardship. Was your vote to restrict the use of glyphosate an example of your real commitment to the health of the watershed? Thus far that is not evident.

In fact, you are hearing loud and clear in letters from local organizations, County agencies, and other water districts, as well as the State and Federal agencies that oversee the District's compliance to the law, that you are moving the District far away from that vital commitment. This is a grave mistake.

The District's Partners must remain confident in the District's understanding and desire to uphold its environmental mandate. This includes management of the Olympia Sand Hills; this includes District-wide fish monitoring; this includes participating in the Zayante Creek restoration project (which doesn't cost the District anything). This includes participating in the Felton Library Park project, and even providing water for a public celebration to demonstrate the quality of that water. This also includes keeping skilled and committed employees and not undermining morale.

So, along with environmentally sound, scientifically based land management, specifically in the Olympia Sand Hills, it IS vital to monitor Steelhead in conjunction with the

Partner's Group. How else can the District plan for long periods of drought? This information is especially needed now to plan for the future.

Speaking of the future, how can you undermine the water conservation program? More than ever the District's customers need to be aware of the preciousness of their water. The aquifer is in dire overdraft, and there is NO way to restore the aquifer that we ALL depend on, without limiting the amount of water being used. This is very foolish, and undermines the District's credibility in its work with the Santa Margarita Groundwater Agency.

There are State and Federal Steelhead and Coho mandates. Without the monitoring that your budget would throw away, you may SO undermine the District's environmental reputation that the relationship with NMFS/NOAA and CA Fish & Wildlife will become adversarial instead of cooperative. That will not only add to the disrespect for the District, it will actually add to the stress on your employees, and it may well result in a Habitat Conservation Plan being required of the District. As pointed out before, this is an extremely costly, time-consuming process – far beyond the supposed “savings” to the District your diminished budget would provide. Just ask the City of Santa Cruz.

The District's Water Rights also depend upon its environmental commitment, on its reliability – any changes you may have been planning with the interties could be threatened if this and other budget cuts further sully the District's reputation.

Are you looking to keep from adding costs to future budgets and to gain improved flexibility in managing water? Are you committed to restoring the Santa Margarita Aquifer? Do you want to demonstrate your environmental insight? You will only do so if you restore the budget for land management as well as for Steelhead monitoring; and, only if you maintain and expand the District's ability to actually *protect* our water supply by assuring the health of the watershed. We join in urging that the necessary funding for these environmental programs and projects be restored and enhanced.

In hope for the future,

Nancy Macy, Chair
Environmental Committee for the SLV
Valley Women's Club www.valleywomensclub.org



Dana Weigand

Jeff Amen

Mark Messimer

Felton, CA.

5/1/19

San Lorenzo Valley Water Dist. Board of Directors

Dear Board of Directors:

We are writing this letter to endorse Beth Hollenbeck for the open seat on the Board of Directors.

Beth is a lifelong resident of San Lorenzo Valley and has a stellar record of protecting our valley with her stewardship. She spearheaded the San Lorenzo river cleanup in collaboration with Save Our Shores. Also Beth launched an environmental organization, "SLV CORE", Citizens Organized for Responsible Ecology, to protect the Felton meadow and other sensitive water sites.

Beth has been teaching music for 20 years, she taught in Los Angeles and San Lorenzo Valley High, and now at Scotts Valley High. She won the Scotts Valley educator of the year award in 2014. Beth also worked with Universal Audio, Antares and Scotts Valley Rotary to have an Apple recording studio built at Scotts Valley High School. Now students can record and compose music there.

Beth Hollenbeck is well respected in both Scotts Valley and San Lorenzo Valley. Her special skillset and dedication to hard work and preservation of the San Lorenzo Valley and Scotts Valley would be of great benefit to the district. Beth is a straight shooter and has strong diplomatic skills. With the ratepayer's best interest in mind she would like to see the district on a strong fiscal footing.

Sincerely,

Dana Weigand

Jeff Amen

Mark Messimer

Holly Hossack

From: Jim Graham <jim@jgpr.com>
Sent: Wednesday, May 08, 2019 12:06 PM
To: Board of Directors
Subject: Please reconsider soonership of Redwood Mountain Faire

Dear members of the SLV Water District Board,

My name is Jim Graham and my residence is at 640 Buckeye Drive in Felton. I am part of Felton FLOW, helping with communications.

I'm greatly concerned with your decision to defund support for the Redwood Mountain Faire. For a minimal cost, the faire is an incredible opportunity to provide education and awareness to SLV residents on issues related to water conservation.

One of the reasons I advocated for Felton to join the SLVWD was the incredible work the district did on environmental stewardship and education. As a PR professional, I know what it costs to get access to an audience of thousands. Your cost is minimal compared to the potential benefits.

I would strongly recommend you reconsider your decision and agree to sponsor the Redwood Mountain Faire.

Thank you,

Jim Graham

Jim Graham
Senior Advisor, Special Projects
Burning Man
www.burningman.org

ph. 831.234.4337
em. jim.graham@burningman.org

Holly Hossack

From: Lea Watson <lea4wat@gmail.com>
Sent: Wednesday, May 08, 2019 6:36 PM
To: Board of Directors
Subject: Redwood Mountain Faire

Elizabeth (Lea) Watson
5590 Lincoln Way, Felton, CA 95018

Board of Directors
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006
bod@slvwd.com

Subject: Redwood Mountain Faire

Dear Board Members,

The Board's decision to not sponsor the Redwood Mountain Faire, and to not provide drinking water for participants is shocking and extremely disappointing. It makes me wonder if you have no sense of the positive role you play in this community and the unifying affect your presence has at an occasion like the Redwood Mountain Faire. To not support the Faire sends a message of disinterest and lack of gratitude for the mission of the Faire, which is to raise money for services in the valley that benefit all of us. I'm surprised your PR people allowed you to make this decision! I'm writing to urge you to reconsider, and to fully participate in the Faire.

I am a ratepayer in Felton and appreciate all SLVWD's community involvement (taking on the Felton system, supporting the new library, meetings a Coffee 9, etc.), water conservation and water shed protection efforts, and educational opportunities.

Financial cost is not a reasonable rationale for not supporting the Faire, and will be far out weighed by benefits to the District and the Community. By providing water you will prevent hundreds of plastic bottles from going into the waste stream, and send a message of support for environmental stewardship. I urge you to embrace this opportunity and participate fully in the Redwood Mountain Faire.

Thank you for reconsidering your decision. I look forward to seeing you at the Faire.

Sincerely,

Lea Watson

--

Lea Watson
5590 Lincoln Way
Felton, CA 95018
1-831-234-8288 cell

Holly Hossack

From: Virginia Wright <wright.va.a@gmail.com>
Sent: Thursday, May 09, 2019 9:44 PM
To: Board of Directors
Subject: Redwood Mountain Fair: The Cost of Goodwill

Hi SLV Water District Board Members,

I enjoyed meeting you all at the SLV Water District Meeting last week. It was reassuring to see both your good intentions and your knowledge about water systems.

It might be, however, that there could be a bit more attention to community engagement and public relations.

In the Redwood Mountain Fair case, support for giving water to fair attendees is a fairly low cost communications channel. For as little as \$2,000, you can reach thousands of residents, with whatever message you would like to communicate. Right now many people are organizing against you when you could have them thanking the SLV Water District for being good stewards of the water.

Investing a small amount in communications and community engagement is worth the price because it reduces controversy and increases support for the other things you want to get done.

Also, I believe that \$2,000 is not additional cost, but it is an allocated cost from salaries you already pay. Maybe I am wrong about that, so forgive me if I am. In any case it is money well spent and I hope you will reconsider.

With Warm Regards,

Virginia

Virginia Ann Wright, MBA, CFRE
Felton
831-234-4491
www.linkedin.com/in/virginiaannwright

Holly Hossack

From: Julie Thayer <jathayer@ucsc.edu>
Sent: Monday, May 13, 2019 1:21 PM
To: Board of Directors
Subject: Continued SLV Salmonid Monitoring

Dear Board of Directors,

As a resident along the San Lorenzo River, water consumer, and an ecologist, I am writing to request that the SLVWD continue to monitor endangered and threatened salmonid species in our watershed.

There is a long time series of data, 25 years thus far, which is the result of a productive partnership among various agencies, stakeholders and consumer groups throughout Santa Cruz County. This data obtained from the annual monitoring program is important to studies of environmental health, fishery recovery, and human-use projects along the river. For example, long-term data is essential for examining climate-related changes. Results help to focus management, restoration, and enforcement efforts to protect and enhance stream resources.

Therefore, fish monitoring is a crucial window into the health of the aquatic ecosystem in the San Lorenzo River Watershed, from which the District diverts water and pumps from its aquifers. The District must obtain permits from regulatory agencies in the future for changes in their water rights and transfer of water around the watershed and to Scotts Valley. Regulatory agencies such as CDFW and NMFS expect on-going fish monitoring. The District needs to keep its reputation as a strong environmental leader in order to maintain a good working relationship with permitting agencies.

Sincerely,
Julie Thayer

Holly Hossack

From: Jennifer Gómez <jagomez173@gmail.com>
Sent: Monday, May 13, 2019 2:39 PM
To: Board of Directors
Cc: Nancy Macy; Holly Hossack; Jen Michelsen; Rick Rogers; Charles Baughman
Subject: Our ecological deficit
Attachments: Unprecedented.pdf

Greetings,

Lately I have been thinking about the different meanings of the word "value" in relation to the water district and the budget, and the way this board is exclusively concerned with the economic definition.

I have watched many of my friends and colleagues struggle in vain to calculate and describe to this board the tangible economic benefits of protecting the environment, of being good neighbors and (impossibly, by definition) contributing to local charitable causes. But these things will never show a return on investment on any given balance sheet. Such things have a different and I would argue, more meaningful kind of value.

In ethics, value also refers to "the degree of importance of some thing or action" and "reflect a person's sense of right and wrong."

While I appreciate this board wants to build financial reserves and show fiscal conservatism, it cannot be at the expense of the environment. We have an ecological deficit, both globally and locally, that cannot be ignored, abandoned or left for others to take responsibility. It is everyone's responsibility. In particular, this district has a responsibility for fish monitoring, land management, watershed education and water conservation programs. Every single one of these programs helps to support the continued existence of numerous endangered and threatened species within our watershed and on district-owned properties.

I am attaching an article that reports on the findings of a new 1,500 page assessment, based on thousands of scientific studies, that concludes in part that "humans are transforming the Earth's natural landscape so dramatically that as many as one million plant and animal species are at risk of extinction."

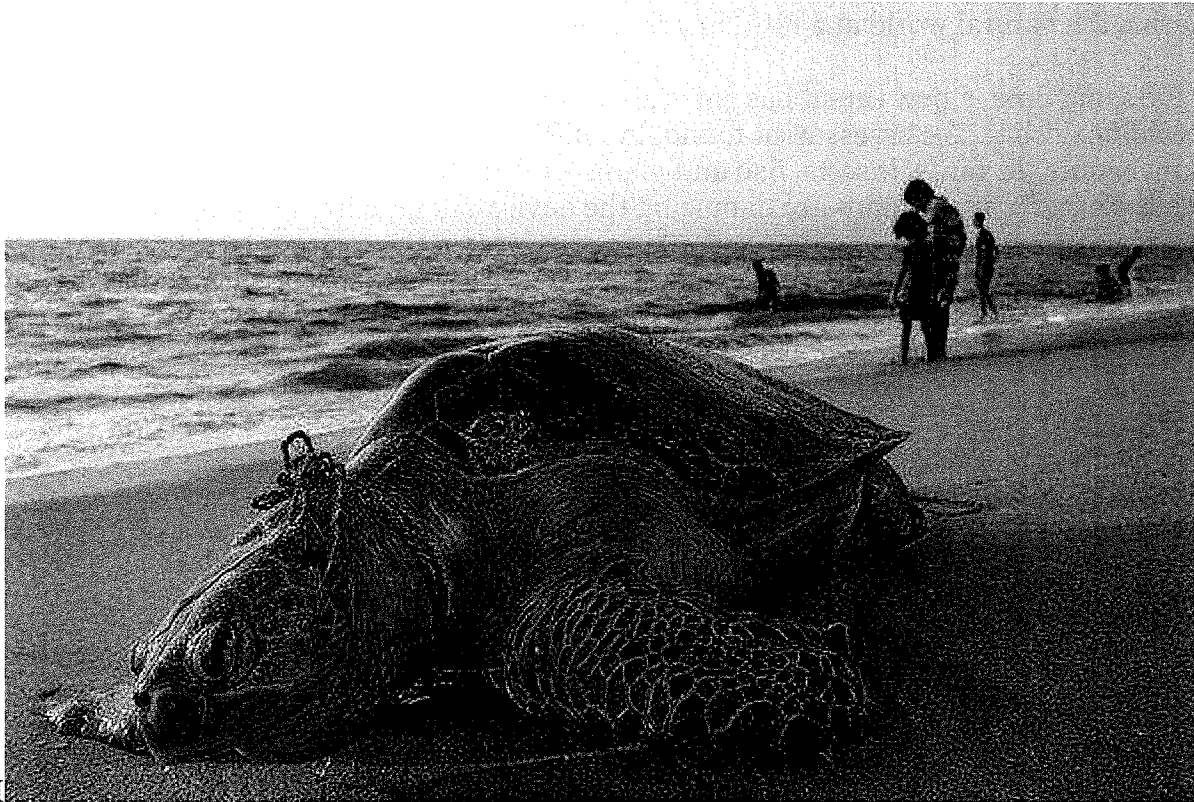
If your mantra is profit and economic growth above all else, I do not expect that you will be moved by either the article or by the following facts:

1. We have been converting nature into profit for much of human history, and we are doing so now at our own great peril;
2. Averting this climate catastrophe will require an economic paradigm shift;
3. We can't buy back extinct species with our budget reserve.

I strongly urge you to continue to fund these incredibly valuable environmental programs. If you choose not to, we deserve an honest explanation that includes more than economic reasons.

Regards,
Jenni and Leo Gómez

Humans Are Speeding Extinction and Altering the Natural World at an 'Unprecedented' Pace



Fishing nets and ropes are a frequent hazard for olive ridley sea turtles, seen on a beach in India's Kerala state in January. A new 1,500-page report by the United Nations is the most exhaustive look yet at the decline in biodiversity across the globe. Credit Credit Soren Andersson/Agence France-Presse — Getty Images

By Brad Plumer

- May 6, 2019

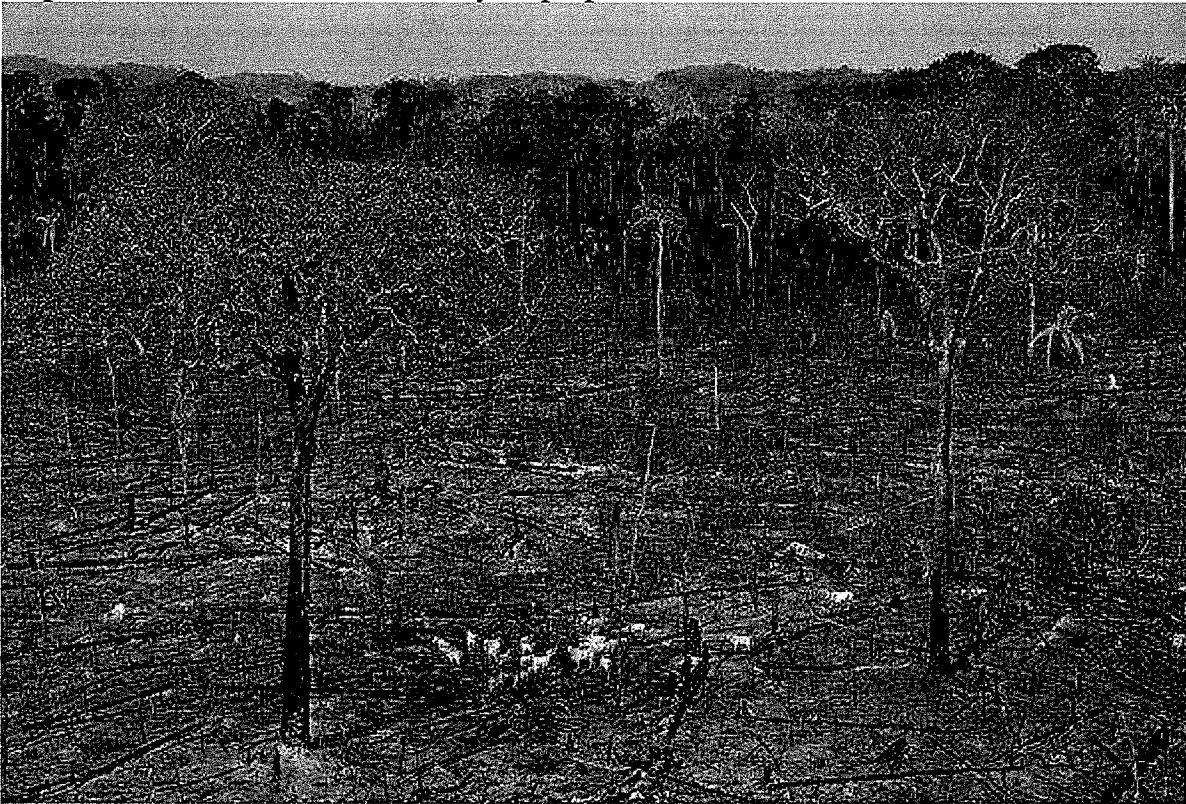
WASHINGTON — Humans are transforming Earth's natural landscapes so dramatically that as many as one million plant and animal species are now at risk of extinction, posing a dire threat to ecosystems that people all over the world depend on for their survival, a sweeping new United Nations assessment has concluded.

The 1,500-page report, compiled by hundreds of international experts and based on thousands of scientific studies, is the most exhaustive look yet at the decline in biodiversity across the globe and the dangers that creates for human civilization.

A summary of its findings, which was approved by representatives from the United States and 131 other countries, was released Monday in Paris. The full report is set to be published this year.

Its conclusions are stark. In most major land habitats, from the savannas of Africa to the rain forests of South America, the average abundance of native plant and animal life has fallen by 20 percent or more, mainly over the past century. With the human population passing 7 billion, activities like farming, logging, poaching, fishing and mining are altering the natural world at a rate “unprecedented in human history.”

At the same time, a new threat has emerged: Global warming has become a major driver of wildlife decline, the assessment found, by shifting or shrinking the local climates that many mammals, birds, insects, fish and plants evolved to survive in. When combined with the other ways humans are damaging the environment, climate change is now pushing a growing number of species, such as the Bengal tiger, closer to extinction. As a result, biodiversity loss is projected to accelerate through 2050, particularly in the tropics, unless countries drastically step up their conservation efforts.



Cattle grazing on a tract of illegally cleared Amazon forest in Pará State, Brazil. In most major land habitats, the average abundance of native plant and animal life has fallen by 20 percent or more, mainly over the past century. Credit Lalo de Almeida for The New York Times

The report is not the first to paint a grim portrait of Earth’s ecosystems. But it goes further by detailing how closely human well-being is intertwined with the fate of other species.

“For a long time, people just thought of biodiversity as saving nature for its own sake,” said Robert Watson, chair of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, which conducted the assessment at the request of national governments. “But this report makes clear the links between biodiversity and nature and things like food security and clean water in both rich and poor countries.” A previous report by the group had estimated that, in the Americas, nature provides some \$24 trillion of non-monetized benefits to humans each year. The Amazon rain forest absorbs immense quantities of carbon dioxide and helps slow the pace of global warming. Wetlands purify drinking water. Coral reefs sustain tourism and fisheries in the Caribbean. Exotic tropical plants form the basis of a variety of medicines.

But as these natural landscapes wither and become less biologically rich, the services they can provide to humans have been dwindling.

Humans are producing more food than ever, but land degradation is already harming agricultural productivity on 23 percent of the planet’s land area, the new report said. The decline of wild bees and other insects that help pollinate fruits and vegetables is putting up to \$577 billion in annual crop production at risk. The loss of mangrove forests and coral reefs along coasts could expose up to 300 million people to increased risk of flooding.

The authors note that the devastation of nature has become so severe that piecemeal efforts to protect individual species or to set up wildlife refuges will no longer be sufficient. Instead, they call for “transformative changes” that include curbing wasteful consumption, slimming down agriculture’s environmental footprint and cracking down on illegal logging and fishing.

“It’s no longer enough to focus just on environmental policy,” said Sandra M. Díaz, a lead author of the study and an ecologist at the National University of Córdoba in Argentina. “We need to build biodiversity considerations into trade and infrastructure decisions, the way that health or human rights are built into every aspect of social and economic decision-making.”

Scientists have cataloged only a fraction of living creatures, some 1.3 million; the report estimates there may be as many as 8 million plant and animal species on the planet, most of them insects. Since 1500, at least 680 species have blinked out of existence, including the Pinta giant tortoise of the Galápagos Islands and the Guam flying fox.

Though outside experts cautioned it could be difficult to make precise forecasts, the report warns of a looming extinction crisis, with extinction rates currently tens to hundreds of times higher than they have been in the past 10 million years.

“Human actions threaten more species with global extinction now than ever before,” the report concludes, estimating that “around 1 million species already face extinction, many within decades, unless action is taken.”

Unless nations step up their efforts to protect what natural habitats are left, they could witness the disappearance of 40 percent of amphibian species, one-third of marine mammals and one-third of reef-forming corals. More than 500,000 land species, the report said, do not have enough natural habitat left to ensure their long-term survival.

Over the past 50 years, global biodiversity loss has primarily been driven by activities like the clearing of forests for farmland, the expansion of roads and cities, logging, hunting, overfishing, water pollution and the transport of invasive species around the globe.

In Indonesia, the replacement of rain forest with palm oil plantations has ravaged the habitat of critically endangered orangutans and Sumatran tigers. In Mozambique, ivory poachers helped kill off nearly 7,000 elephants between 2009 and 2011 alone. In Argentina and Chile, the introduction of the North American beaver in the 1940s has devastated native trees (though it has also helped other species thrive, including the Magellanic woodpecker).

All told, three-quarters of the world's land area has been significantly altered by people, the report found, and 85 percent of the world's wetlands have vanished since the 18th century.

And with humans continuing to burn fossil fuels for energy, global warming is expected to compound the damage. Roughly 5 percent of species worldwide are threatened with climate-related extinction if global average temperatures rise 2 degrees Celsius above preindustrial levels, the report concluded. (The world has already warmed 1 degree.)

"If climate change were the only problem we were facing, a lot of species could probably move and adapt," Richard Pearson, an ecologist at the University College of London, said. "But when populations are already small and losing genetic diversity, when natural landscapes are already fragmented, when plants and animals can't move to find newly suitable habitats, then we have a real threat on our hands." The dwindling number of species will not just make the world a less colorful or wondrous place, the report noted. It also poses risks to people.



Trash in March in a mangrove forest in Brazil. The loss of mangrove forests and coral reefs along coasts could expose up to 300 million people to increased risk of flooding. Credit Amanda Perobelli/Reuters

Today, humans are relying on significantly fewer varieties of plants and animals to produce food. Of the 6,190 domesticated mammal breeds used in agriculture, more than 559 have gone extinct and 1,000 more are threatened. That means the food system is becoming less resilient against pests and diseases. And it could become harder in the future to breed new, hardier crops and livestock to cope with the extreme heat and drought that climate change will bring.

“Most of nature’s contributions are not fully replaceable,” the report said. Biodiversity loss “can permanently reduce future options, such as wild species that might be domesticated as new crops and be used for genetic improvement.”

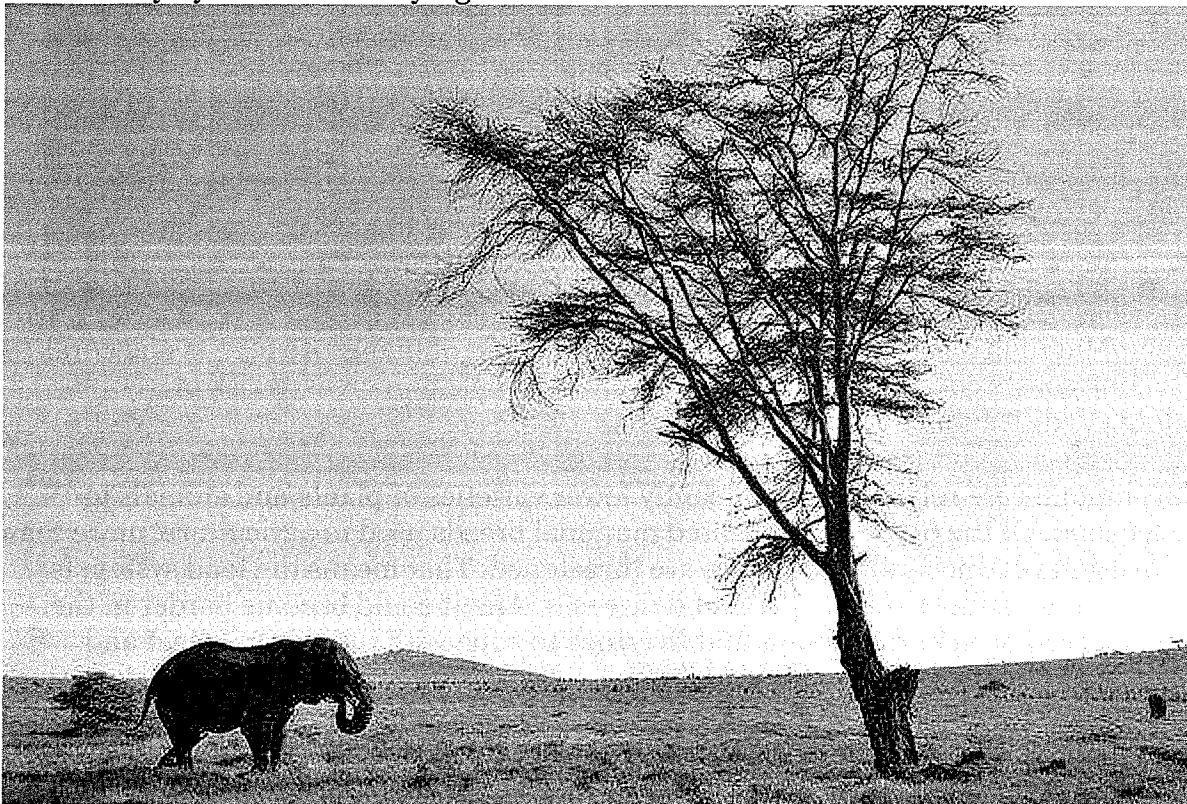
The report does contain glimmers of hope. When governments have acted forcefully to protect threatened species, such as the Arabian oryx or the Seychelles magpie robin, they have managed to fend off extinction in many cases. And nations have protected more than 15 percent of the world’s land and 7 percent of its oceans by setting up nature reserves and wilderness areas.

Still, only a fraction of the most important areas for biodiversity have been protected, and many nature reserves poorly enforce prohibitions against poaching, logging or illegal fishing. Climate change could also undermine existing wildlife refuges by shifting the geographic ranges of species that currently live within them.

So, in addition to advocating the expansion of protected areas, the authors outline a vast array of changes aimed at limiting the drivers of biodiversity loss.

Farmers and ranchers would have to adopt new techniques to grow more food on less land. Consumers in wealthy countries would have to waste less food and become more efficient in their use of natural resources. Governments around the world would have to strengthen and enforce environmental laws, cracking down on illegal logging and fishing and reducing the flow of heavy metals and untreated wastewater into the environment.

The authors also note that efforts to limit global warming will be critical, although they caution that the development of biofuels to reduce emissions could end up harming biodiversity by further destroying forests.



An elephant in the Lewa Wildlife Conservancy at the foot of Mount Kenya, outside Nairobi. More than 500,000 land species do not have enough natural habitat left to ensure their long-term survival. Credit Tony Karumba/Agence France-Presse — Getty Images

None of this will be easy, especially since many developing countries face pressure to exploit their natural resources as they try to lift themselves out of poverty.

But, by detailing the benefits that nature can provide to people, and by trying to quantify what is lost when biodiversity plummets, the scientists behind the assessment are hoping to help governments strike a more careful balance between economic development and conservation.

“You can’t just tell leaders in Africa that there can’t be any development and that we should turn the whole continent into a national park,” said Emma Archer, who led the group’s earlier assessment of biodiversity in Africa. “But we can show that there are trade-offs, that if you don’t take into account the value that nature provides, then ultimately human well-being will be compromised.”

In the next two years, diplomats from around the world will gather for several meetings under the Convention on Biological Diversity, a global treaty, to discuss how they can step up their efforts at conservation. Yet even in the new report’s most optimistic scenario, through 2050 the world’s nations would only slow the decline of biodiversity — not stop it.

“At this point,” said Jake Rice, a fisheries scientist who led an earlier report on biodiversity in the Americas, “our options are all about damage control.”

For more news on climate and the environment, follow @NYTClimate on Twitter.

Brad Plumer is a reporter covering climate change, energy policy and other environmental issues for The Times’s climate team. @bradplumer

Holly Hossack

From: akrostue@cruzio.com
Sent: Monday, May 13, 2019 6:28 PM
To: Board of Directors
Subject: Fish Monitoring program

Dear Board,

Please continue to fund the Steel Head Monitoring. It is an important program. Thank you.

Alexis Krostue

Felton

Holly Hossack

From: Peter Gelblum <pbgelblum@gmail.com>
Sent: Monday, May 13, 2019 5:20 PM
To: Board of Directors
Subject: Steelhead monitoring

I write to urge you to include steelhead monitoring in the budget currently under consideration. We need the information that comes from this monitoring both to help maintain the environment in our watershed and to work with the various other agencies concerned with this issue, including those we need permits from. This is both extremely important and extremely inexpensive.

Thanks,
Peter Gelblum
Boulder Creek

Holly Hossack

From: CYNTHIA DZENDZEL <cyndzen@earthlink.net>
Sent: Tuesday, May 14, 2019 8:09 PM
To: Board of Directors
Subject: Proposed SLVWD budget for 2019-2020

Lois Henry
President, Board of Directors
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, California 95006

Dear Ms. Henry:

As a Felton resident who has observed the Steelhead Monitoring Program and heard tales from other longtime residents of the declining population of steelhead and salmon in the San Lorenzo River, I am particularly disturbed by the proposed budget for the SLVWD which would not include funding for that program.

As stewards of the watershed charged with complying with regulations to improve the status of our endangered and threatened fish species, it seems that common sense would dictate that the Board support the collection of information about the health of those species through drought and flood years. Accurate information about the numbers of fish and months in which they travel up and down the river could be determinate in negotiating realistic limits on the volume of water that can be used by the Felton system during given months or seasons, as well as modifications to the fish ladder in Fall Creek. It would also be a tool in deciding the feasibility of water exchanges with other parts of the district to ensure river and creek flows during those times.

I am also concerned about the proposal to cut funding for educational programs. If water quality and flow monitoring can be accomplished through collaboration with UCSC and SLVHS, better decisions can be made about the consequences of transferring water from one part of the district to another. Is the chemistry of the water from Scotts Valley or Boulder Creek different from that of Felton? Is there a potential "Flint effect" if Felton water contains bacteria and minerals and Scotts Valley water contains different toxins and minerals?

The proposal to cut funding for land management for the Olympia sand hills is also disturbing. Letting the invasive broom take over that area would be disastrous. I have noticed that ticks inhabit the thick broom on the ridge above that area. We all know that ticks spread Lyme disease and the broom will destroy our threatened sand hills species.

I respectfully request that you reconsider the proposed cuts to environmental programs which maintain the health of the watershed and water users.

Thank you for considering my comments.

Sincerely,

Cynthia Dzendzel
5600 Lincoln Way
Felton, CA 95018

Holly Hossack

From: jen <jen@jmparks.com>
Sent: Tuesday, May 14, 2019 2:59 PM
To: Board of Directors
Subject: Please FUND the Steelhead Monitoring program

Dear Board Members,

As a SLV resident I am very concerned that the draft 2019-2020 SLV WD budget does not include funding for the Steelhead Monitoring Program moving forward.

Our SLV watershed, and the Steelhead are crucial to our environment that we live in and value so much. The program also represents the only long-term data about stream health and salmonids in the San Lorenzo River Watershed. The information obtained from the annual monitoring is important for management and protection of our SLV streams that benefit all of SLV and that need to be protected for future generations.

Please fund the Steelhead monitoring program - for the benefit of all residents of SLV.

Thank you,
Jennifer Parks
Boulder Creek, CA
831-331-0113

Holly Hossack

From: Mark D. Lee <mdlee4125@gmail.com>
Sent: Tuesday, May 14, 2019 4:54 PM
To: Board of Directors
Subject: Is the SLVWD Board of Directors Paying Attention and Weighing In on the City of Santa Cruz's efforts to expand their water rights taking more and more water from San Lorenzo Valley? Are we questioning? Are we analyzing the impacts on cost of water for ...
Attachments: 484082705142019035652206.PDF; 484082805142019041344804.PDF; 484082905142019041638198.PDF; 484104505142019042941944.PDF; 484104605142019043709555.PDF

<http://www.cityofsantacruz.com/home/showdocument?id=73445>

City of Santa Cruz's continued expansion and taking of water - goes unanswered by SLVWD - Where is the leadership in protecting our water rights of a very limited resource

Newell Creek Dam Replacement and Pipeline expansion to ship more water out of our Valley (see below)



CITY COUNCIL AGENDA REPORT

DATE: 5/9/2019

AGENDA OF: 5/14/2019

DEPARTMENT: Water

SUBJECT: Newell Creek Dam Inlet/Outlet Replacement Project –Final Environmental Impact Report and Project Approval (WT)

RECOMMENDATION: Resolution certifying the Final Environmental Impact Report for the Newell Creek Dam Inlet/Outlet Replacement Project.

Resolution adopting Findings of Fact and a Mitigation, Monitoring, and Reporting Program and approving the Newell Creek Dam Inlet/Outlet Replacement Project.

BACKGROUND: In November 2018, the City released the Draft Environmental Impact Report (EIR) for the Newell Creek Dam Inlet/Outlet Replacement Project and is today seeking certification of the Final EIR for the project. The EIR was prepared in accordance with the provisions of the California Environmental Quality Act (CEQA). The project is a critical component of the Water Department's Capital Investment Program and necessary to protect the City's ability to deliver drinking water to its customers.

Proposed Project:

The proposed project would consist of replacement of the existing aging Newell Creek Dam inlet/outlet works in new locations at the Loch Lomond Reservoir and other associated improvements. The Project is comprised of the following primary components:

- Three new inlets located within the Reservoir that would function to control and convey flows into and out of the Reservoir,
- A 14-foot maximum diameter tunnel containing 48-inch and 10-inch inlet/outlet pipelines through the right (west) abutment and under the dam,
- An outlet structure with valves and controls at the toe of the dam to convey flows into and out of the inlet/outlet pipelines; the structure would also provide for energy dissipation for water releases to the Newell Creek Pipeline or beneficial releases,
- A new control house on the dam crest to house controls for the inlets,
- A new dam seepage collection and monitoring system,
- Replacement of an approximate 2,000 linear-foot segment of the Newell Creek Pipeline between the existing outlet structure and the first isolation valve,
- Improvements along the dam's access roads to improve access for construction, including a new culvert crossing at the spillway plunge pool, and

- Decommissioning the existing inlet/outlet works once the replacement inlet/outlet system is operational.

The proposed Project would be constructed independently of the existing inlet/outlet works with minimal disruption to current water delivery operations. There are no proposed changes to existing operations at Newell Creek Dam and the Loch Lomond Reservoir.

Project onsite construction would take approximately 24 months and may begin as soon as spring of 2020. Eight sites adjacent to Newell Creek Dam and the reservoir, totaling approximately 15 acres, have been identified as potential construction staging areas. These areas may be used for storage of construction equipment and materials, as well as storage and/or permanent placement of excavated materials.

Major construction elements include grading to create an approximate 0.5-acre “construction platform” at the toe of the dam; excavation of a tunnel under the dam to house the inlet/outlet conduit; and subsurface dredging and installation of the new intakes in the Reservoir. A temporary boat launch facility would be installed near the intake construction area for equipment and materials during construction within the Reservoir. Grading and excavation of the construction platform and 14-foot diameter tunnel would result in approximately 22,600 cubic yards (cy) of spoils that would be permanently placed on site (at identified staging areas) or hauled off site to a suitable user or disposal site. Subsurface dredging would generate approximately 23,000 to 34,000 cubic yards of subsurface spoils to be disposed of within the reservoir thalweg.

Facility Background:

The Newell Creek Dam, which impounds Loch Lomond Reservoir, is located about ten miles north of the City in the forested Santa Cruz Mountains. Completed in 1961, Newell Creek Dam is a zoned earthfill dam approximately 195 feet high with a crest length of about 750 feet. The City of Santa Cruz Water Department operates Loch Lomond Reservoir as the primary surface water storage facility for the City’s water system.

The existing Newell Creek Dam inlet/outlet works are the infrastructure used to transfer untreated water into and out of the Reservoir. We use the inlet outlet works to:

- Deliver surface water diversions into the Reservoir that are conveyed to the dam via the Newell Creek Pipeline from the Felton Diversion on the San Lorenzo River;
- Deliver raw water from storage in the Reservoir to the Newell Creek Pipeline for conveyance to the City’s Graham Hill Water Treatment Plant;
- Provide beneficial releases (“fish flows”) to Newell Creek downstream of the dam; and
- Implement operational and emergency flow releases from the Reservoir when needed.

The existing Newell Creek Dam inlet/outlet works includes an intake structure, conduit under the dam, and an outlet vault. The existing intake structure (technically an inlet/outlet structure) which is located on the upstream dam face near the left/east abutment and consists of five 12-inch diameter inlet/outlet gates in the Reservoir connected to a 24-inch diameter cement mortar-lined pipe encased in reinforced concrete. Four of the original five sluice gates were replaced with new stainless steel knife gates in 2012; the fifth and lowest inlet is currently capped and

inoperable. The 24-inch sloping intake pipeline enlarges to a 30- to 36-inch diameter inlet/outlet conduit that extends under the dam and terminates at a vault (outlet vault) at the downstream toe of the dam. At the outlet vault, the 36-inch diameter conduit bifurcates to a 22-inch diameter pipe connected to the Newell Creek Pipeline and a 24-inch plug valve for making operational and emergency releases.

Other appurtenant (accessory) structures at the Newell Creek Dam include a control house on the crest of the dam, the spillway and spillway appurtenances (spillway bridge and spillway plunge pool which drains to Newell Creek), two seepage monitoring weirs, and a seepage channel that carries dam seepage, beneficial releases, and operational and emergency releases from the toe of the dam to the spillway plunge pool and Newell Creek.

The Newell Creek Pipeline is a 22-inch diameter cement mortar-lined steel pipe installed in 1960 in conjunction with the construction of Newell Creek Dam. A segment of the pipeline was replaced in 1982. The repaired segment (approximately 185 linear feet) is encased under a concrete cap and is currently used as a wet ford to cross the spillway plunge pool to reach the toe of the dam. The pipeline alignment runs south from the dam's outlet structure, below the ford, under or adjacent to the dam toe access road then follows the alignment of Newell Creek Access Road. At the southern end of the project area, the pipeline is suspended from the Newell Creek Access Road Bridge where it crosses Newell Creek. From the bridge, the Newell Creek Pipeline extends approximately 5 miles to the Graham Hill Water Treatment Plant.

The City also operates and maintains the Loch Lomond Recreation Area, located north of Newell Creek Dam and accessed by local roads. The Recreation Area is open seasonally during day-time hours and provides a range of recreational activities including boat rentals, picnicking, fishing, hiking and interpretive programming.

Existing Inlet/Outlet Facility Conditions:

The existing NCD inlet/outlet works is approaching the end of its useful design life as illustrated by three primary identified deficiencies: an inoperable fifth inlet/outlet gate in the reservoir, inlet/outlet conduit deterioration, and an inoperable and partially closed plug valve at the toe of the dam.

The fifth and lowest inlet of the five original inlets of the sloping intake portion of the inlet/outlet works is buried by sediment and surficial landslide material. As part of a 2012 project, this inlet was partially dug out, modified, and capped with a blind flange rendering the intake inoperable. Additionally, the conduit portion of the inlet/outlet works is original construction and is corroding as is typical of unlined steel infrastructure of this age. There were three unmanned inspections of the existing inlet/outlet in 2008, 2013 and 2015. While none of the inspections were able to access the full length of the conduit, the inspections revealed that the steel liner for the sloping intake and concrete conduit is deteriorating due to lack of protective lining.

A 24-inch plug valve at the outlet vault that would normally control emergency releases from the reservoir to Newell Creek is currently stuck in a partially open position and is inoperable and cannot be repaired. The purpose of this valve is to control the flow rate of water being released from the reservoir outlet works for both emergency and operational releases. A downstream

valve has been installed to control releases, but the capacity of the releases is limited by the inoperable valve.

Emergency Reservoir Drawdown Conditions and Requirements:

The City has never experienced a situation that required an emergency drawdown of the reservoir. The California Department of Water Resources Division of Safety of Dams (DSOD) regulates non-federal dams in California. DSOD requires dams, such as Newell Creek Dam, with a storage capacity greater than 5,000 acre feet to be able to fully drain the reservoir to deadpool in 90 days (deadpool refers to the elevation of the lowest operable intake gate) and to have an outlet capable of drawing down the maximum reservoir storage capacity by ten percent within seven to ten days. NCD has historically been required by DSOD to have an inlet/outlet structure with sufficient capacity to lower reservoir storage by ten percent within ten days, but DSOD has advised that the standard for a new project should be the capacity to lower reservoir storage by ten percent within seven days.

To address the inlet/outlet works deficiency caused by the inoperable 24-inch plug valve, the City has been operating under an Interim Dewatering Plan accepted by DSOD in 2015. A condition of operation under the Interim Dewatering Plan is that the City provide a long-term strategy to address the deficiency. Under the Interim Dewatering Plan, emergency releases would be made through a combination of three downstream valves on the Newell Creek Pipeline until long-term improvements are made. The City can draw down reservoir to deadpool in 90 days using the Interim Drawdown Plan, but permanent improvements are needed to address requirement for ten percent drawdown of reservoir capacity within seven days.

Project Purpose:

As previously indicated, the existing NCD inlet/outlet works is approaching the end of its useful design life. As such, the proposed Newell Creek Dam Inlet/Outlet Replacement Project is necessary to protect the City's ability to deliver drinking water to its customers. Currently, the Reservoir is the only asset that provides drinking water security in the City's water system in the form of raw water storage. Future failure of the existing inlet/outlet works may eliminate the City's ability to provide drinking water to its customers during two crucial periods: during dry summer months when other sources cannot meet demand and during winter when other water sources are too turbid due to storm runoff. Furthermore, the proposed improvements would improve the City's overall operational efficiency, improve system performance, and maintain long-term reliable storage for the City's drinking water supply. Additionally, the Project is also necessary for the City to meet DSOD requirements for Reservoir draw down in an emergency.

DISCUSSION: The City issued a Notice of Preparation of an EIR on June 28, 2018. The City followed required procedures with regard to distribution of the appropriate notices and environmental documents to the State Clearinghouse which made the information available to interested agencies for review and comment. In addition, the Notice of Preparation was circulated for a 30-day review period to local, regional, and federal agencies; to organizations and interested citizens that have requested notification; and to owners of property contiguous to the Project site in accordance with noticing requirements in the City's CEQA Guidelines. Additionally, two EIR Scoping Meetings were held during the public review period on July 18, 2018 and July 19, 2018 to receive comments regarding the scope of issues to be addressed in the

EIR. Ads for the scoping meeting were run in the Santa Cruz Sentinel and Press Banner. The Notice of Preparation and all comments received on the Notice of Preparation are included in Appendix A of the Final EIR.

On November 7, 2018, the City released the DEIR to the State Clearinghouse, local and regional public agencies, and other interested organizations and individuals for a 45-day public review period that ended on December 21, 2018. A Notice of Availability of the Draft EIR was also sent to neighboring property owners. The Notice of Availability was run as a legal ad in the Santa Cruz Sentinel on November 5, 2018. The Draft EIR was made available for public review at the Water Department Engineering Counter, the Downtown Branch Public Library, and the Felton Branch Public Libraries. The DEIR also was available on the City's website on the Water Department's Environmental Documents webpage. Additionally, two public meetings were held during the public review period on December 11 and December 13, 2018 to inform the public about the proposed project and to solicit comments on the Draft EIR. Ads for the public meetings were run in Santa Cruz Sentinel and the Press Banner and meeting flyers were posted in the City of Santa Cruz and various locations in the San Lorenzo Valley.

The DEIR includes an analysis of the following environmental issue areas:

- Air Quality and Greenhouse Gas Emissions
- Biological Resources
- Cultural and Tribal Cultural Resources
- Forest Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise
- Transportation and Traffic
- Land Use
- Other CEQA-Required Sections: Cumulative Impacts, Alternatives, Significant Unavoidable Impacts, Significant Irreversible Changes, and Growth Inducement

No significant unavoidable impacts were identified in the Draft EIR, and mitigations were proposed for all potentially significant impacts to reduce those impacts to a level of less than significant.

A total of five letters commenting on the Draft EIR were received during the public review period. Letters were received from California Governor's Office of Planning and Research, California Department of Fish and Wildlife, Monterey Bay Air Resources District, San Andreas Land Conservancy, and Raines Janecka.

Responses to comments were sent to commenting public agencies in accordance with CEQA. The Final EIR includes all comment letters received on the Draft EIR and provides responses to individual comments that were submitted. It also summarizes sections of the EIR document that were revised to provide corrected or clarified text or in response to the public comments. Revisions to text include: minor revisions to Project Best Management Practices (BMPs) and Mitigation Measures; addition of new BMPs to require pre-construction Worker Environmental

Awareness Training; addition of one cumulative project; a new description of a controlled detonation construction technique that could have limited use during tunnel excavation to supplement the primary technique of excavation by road header if needed; as well as updates to, but no changes to significance findings in, the analyses of air quality and greenhouse gas emissions, biological resources, hazards and hazardous materials and noise.

The Water Commission has received information on the purpose, need, cost, scope, schedule, and environmental impacts of the project and believes the analyses are sound and the project should proceed as scheduled, the next step of which would be for City Council to certify the Final EIR and approve the project. It is therefore recommended that City Council, by resolution, (1) certify the Final EIR for the Newell Creek Dam Inlet/Outlet Replacement Project and (2) adopt Findings of Fact and a Mitigation Monitoring and Reporting Program and approve the Newell Creek Dam Inlet/Outlet Replacement Project. The project would be bid following a future action by City Council in winter 2020.

FISCAL IMPACT: Certification of the Final EIR and project approval has no direct fiscal implications. However, future contracts related to project construction would be required to be approved by the City for project implementation.

Prepared by:
Heidi Luckenbach
Deputy Director/Engineering
Manager

Submitted by:
Rosemary Menard
Water Director

Approved by:
Martín Bernal
City Manager

Available for public review online and at the Water Department Engineering Counter - Draft Environmental Impact Report for the Newell Creek Dam Inlet/Outlet Replacement Project

Available for public review online and at the Water Department Engineering Counter - Final Environmental Impact Report for the Newell Creek Dam Inlet/Outlet Replacement Project

ATTACHMENTS:

1. Resolution certifying the Final Environmental Impacts Report for the Newell Creek Dam Inlet/Outlet Replacement Project
2. Resolution adopting Findings of Fact and a Mitigated Monitoring and Reporting Program and approving the Newell Creek Dam Inlet/Outlet Replacement Project
3. Exhibit A - CEQA Findings
4. Exhibit B - Mitigation Monitoring and Reporting Program

RESOLUTION NO. NS-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
ADOPTING FINDINGS OF FACT AND A MITIGATION MONITORING AND
REPORTING PROGRAM FOR THE NEWELL CREEK DAM INLET/OUTLET
REPLACEMENT PROJECT AND APPROVING THE PROJECT

WHEREAS, pursuant to Public Resources Code section 21067 of the California Environmental Quality Act (Pub. Res. Code §§ 21000 et seq.) (“CEQA”) and section 15367 of the State CEQA Guidelines (Cal. Code Regs, tit. 14, § 15000 et seq.), the City is the lead agency for the proposed Newell Creek Dam Inlet/Outlet Replacement Project; and

WHEREAS, a Notice of Preparation (“NOP”) of an Environmental Impact Report (“EIR”) for the Newell Creek Dam Inlet/Outlet Replacement Project (the “Project”) was issued by the Water Department of the City of Santa Cruz on June 28, 2018; and

WHEREAS, an EIR Scoping Meeting was held on July 18, 2018 in Santa Cruz and on July 19, 2018 in Ben Lomond to receive comments regarding the scope of issues to be addressed in the EIR; and

WHEREAS, a Draft Environmental Impact Report (“DEIR” or “Draft EIR”) was prepared and issued for agency and public review and comment on November 7, 2019, for a 45-day review period that ended on December 21, 2019; and

WHEREAS, four (4) comment letters were received on the Draft EIR from public agencies, organizations, and individuals; and

WHEREAS, a Final Environmental Impact Report (“FEIR” or “Final EIR”), incorporating all comments received on the DEIR and responses to comments was issued on April 1, 2019; and

WHEREAS, the Final EIR consists of the November Draft EIR, comments received on the DEIR, responses to comments, modifications made to the text of the Draft EIR, appendices to the DEIR, and all documents and resources referenced and incorporated by reference in the EIR; and

WHEREAS, on May 14, 2019, the City Council in Resolution No. ____ certified the FEIR for the Newell Creek Dam Inlet/Outlet Replacement Project; and

WHEREAS, the Final EIR identified certain significant and potentially significant adverse effects on the environment that would be caused by the approval and implementation of the Newell Creek Dam Inlet/Outlet Replacement Project as proposed; and

WHEREAS, the Final EIR outlined various mitigation measures that would avoid (i.e., render less than significant) the project’s significant effects on the environment, as well as alternatives to the project as proposed which would provide some environmental advantages; and

RESOLUTION NO. NS-

WHEREAS, the City of Santa Cruz is required, pursuant to the CEQA, to adopt all feasible mitigation measures or feasible project alternatives that can substantially lessen or avoid any significant environmental effects of a proposed project; and

WHEREAS, Public Resources Code section 21081, subdivision (a), requires a public agency, before approving a project for which an EIR has been prepared and certified, to adopt findings specifying whether mitigation measures and, in some instances, alternatives discussed in the EIR, have been adopted or rejected as infeasible; and

WHEREAS, Sections I through VII of Exhibit A to this Resolution are a set of Findings of Fact prepared in order to satisfy the requirements of Public Resources Code section 21081, subdivision (a); and

WHEREAS, as the Findings of Fact explain, the City Council, reflecting the advice of City and Water Department Staff, and extensive input from the community, has expressed its intention to approve the proposed project; and

WHEREAS, in taking this course, the City Council has acted consistent with the CEQA mandate to look to mitigation measures and/or alternatives as a means of substantially lessening or avoiding the environmental effects of projects as proposed; and

WHEREAS, all significant environmental effect associated with the project, as approved, can be avoided (rendered less than significant) through the inclusion of mitigation measures proposed in the Final EIR; and

WHEREAS, the City Council in approving the project as proposed intends to adopt all mitigation measures set forth in the Findings of Fact; and

WHEREAS, because all significant effects can be avoided through the adoption of feasible mitigation measures, the City Council need not consider the feasibility of project alternatives, and need not adopt a statement of overriding considerations pursuant to Public Resources Code section 21081, subdivision (b); and

WHEREAS, the City Council recognizes the City's obligation, pursuant to Public Resources Code section 21081.6, subdivision (a), to ensure the monitoring of all adopted mitigation measures necessary to avoid the significant effects of the project; and

WHEREAS, Exhibit B to this Resolution is the Mitigation Monitoring and Reporting Plan prepared in order to comply with § 21081.6, subdivision (a);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

1. In approving this Resolution, the City Council adopts Sections I through VII of Exhibit A attached hereto in order to satisfy its obligations under Public Resources Code sections 21002 and 21081, subdivision (a);

RESOLUTION NO. NS-

2. In approving this Resolution, City Council adopts Exhibit B attached hereto in order to satisfy its obligations under Public Resources Code section 21081.6, subdivision (a);
3. The City Council hereby approves the project and directs City Staff to file with the County Clerk and the Office of Planning and Research in Sacramento a Notice of Determination commencing the 30-day statute of limitations for any legal challenge to the project based on alleged non-compliance with CEQA; and
4. All environmental documents and other materials that constitute the record of proceedings upon which this decision is based, are located at the City of Santa Cruz Water Development Department, 212 Locust Street, Suite C, Santa Cruz, California 95060.

PASSED AND ADOPTED this _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED : _____
Mayor

ATTEST: _____
City Clerk

EXHIBIT B

MITIGATION MONITORING AND REPORTING PROGRAM

for the

NEWELL CREEK DAM INLET/OUTLET REPLACEMENT PROJECT

May 14, 2019

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<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
A. Biological Resources MITIGATION BIO-1A-1: All in-stream construction activities shall be limited to the low-flow period between June 15 through November 1, except by extension approved by CDFW and NOAA Fisheries.	Implementation actions are outlined in the mitigation measure, and the measure will be included as a Construction Specification.	<ul style="list-style-type: none"> City staff are responsible for inclusion of measure in Construction Specifications and periodic inspections during construction. Contractor is responsible for implementation during construction. 	<ul style="list-style-type: none"> Include measure in construction specs. Periodic inspection during construction to ensure no violations. 	
MITIGATION BIO-1A-2: If native fish or native aquatic vertebrates are present when cofferdams, water bypass structures, and silt barriers are to be installed, a native fish and aquatic vertebrate rescue and relocation plan shall be prepared, approved by CDFW and NOAA Fisheries, and implemented by a qualified biologist during dewatering of the spillway plunge pool and Newell Creek to ensure that significant numbers of native fish and aquatic vertebrates are not stranded.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> Fish rescue and relocation plan included in Biological Assessment to be reviewed by NOAA Fisheries. City responsible for hiring qualified biologist to be present during dewatering and to implement fish rescue and relocation plan if needed. Biologist shall maintain records of fish relocation efforts as set forth in the fish rescue plan. 	<ul style="list-style-type: none"> Plan to be approved prior to construction. Biologist to be present during dewatering. 	
MITIGATION BIO-1B-1: Seasonal surveys based on guidance provided by the CDFW, including survey methods outlined in CDFW's "Considerations for Conserving the Foothill Yellow-Legged Frog." (May 2018) shall be initiated at least one year prior to construction. Not more than 48 hours prior to commencement of construction activities occurring between March 1 and September 30 in or adjacent to Newell Creek associated with the installation of the NCP, new culvert bridge crossing downstream of the spillway plunge pool, and establishment of the construction platform work area at the toe of NCD, a qualified biologist, or trained designee (as	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey and trained designee for daily monitoring and implementation of relocation if needed 	<ul style="list-style-type: none"> Initiate seasonal surveys at least one year prior to construction. Preconstruction: Prior to construction (48 hours) Daily monitoring, March-September for construction elements described in measure 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>approved by CDFW), shall conduct a pre-construction survey for foothill yellow-legged frog. The survey shall be conducted within suitable habitat that could be directly or indirectly impacted by construction activities associated with the Project components and at the locations described above. The surveys shall be conducted pursuant to currently accepted methods/protocols for this species as determined by CDFW.</p> <p>If no individual foothill yellow-legged frogs are observed during the pre-construction surveys, monitoring and inspection of suitable habitat shall occur each day during construction activities implemented during March 1 – September 30, unless otherwise approved by CDFW, to ensure that no individual foothill yellow-legged frogs have moved into the work areas in the time since the focused pre-construction survey was completed.</p> <p>If foothill yellow-legged frogs are detected during the pre-construction survey or during the monitoring and inspections during construction, CDFW shall be consulted to determine the appropriate course of action to avoid take of the species. Such actions could include avoidance of the occupied area until it is determined that the individual is no longer present in the habitat area to be disturbed; establishment of exclusion fencing or similar measures; increased frequency or duration of inspections and monitoring; and/or relocation of any individual frogs that could be adversely affected by the Project.</p>				
<p>MITIGATION BIO-1C-1. Due to the presence of suitable aquatic and upland habitats for Western pond turtle, Santa Cruz black salamander, and California giant salamander in the Project construction footprint, wildlife exclusion fencing shall be installed to: (1) prevent individuals of these species from accessing the active work and staging areas; and (2) define the boundary of and protect all suitable aquatic and upland habitat areas that will not be directly affected by</p>	<p>Implementation actions are outlined in the mitigation measure. Installation of exclusion fencing to be included in Construction Specifications.</p>	<ul style="list-style-type: none"> City staff are responsible for inclusion of exclusion fencing measure in Construction Specifications and periodic inspections during construction. City is responsible for hiring 	<ul style="list-style-type: none"> Include measure in construction specs. Installation prior to construction. Periodic inspection during construction to ensure no violations. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>construction activities. The wildlife exclusion fencing will be established between the identified construction areas and upland and aquatic habitats to be avoided.</p> <p>The specific locations and placement of fencing will be determined by the City in coordination with a qualified biologist and will be based on the extent of proposed construction activities and field conditions at each work area. The fencing alignment and work areas enclosed by the fencing shall be thoroughly inspected by a qualified biologist prior to installation by searching under rocks, logs, leaf litter, etc. to find and relocate any individuals of these species in the area. Following completion of fencing installation, the fence alignment will be inspected once daily for the duration of construction activities by a qualified biologist, or trained designee (as approved by CDFW), to confirm the integrity and function of the fencing and ensure wildlife are not becoming entrapped in the fencing.</p>		<p>qualified biologist to determine locations of exclusion fencing for aquatic species.</p> <ul style="list-style-type: none"> Contractor is responsible for installation. 		
<p>MITIGATION BIO-1C-2: Western Pond Turtle. Not more than five days prior to the commencement of construction activities in Loch Lomond Reservoir and any ground disturbing activities associated with establishment of Staging Areas 1 and 7, the access road to these staging areas, construction platform at the toe of NCD, and associated work areas in or adjacent to Newell Creek and spillway plunge pool, a qualified biologist shall conduct a focused survey for Western pond turtle, its nests, and/or eggs within these work areas and within 50 feet of the construction/ground disturbance footprint. If no Western pond turtles are observed, construction activities may begin without the need for further surveys or protection measures. If Western pond turtles are observed, then a qualified biologist shall capture the turtles and translocate them to an area of equally suitable habitat away from the construction footprint. Approval from CDFW would be required prior to handling/translocating individuals of this species.</p>	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey. 	<p>Prior to construction (not more than 5 days) at locations specified in measure.</p>	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
If occupied nests are observed during the pond turtle nesting season (March – July), the nests will be marked and fenced with exclusion fencing in such a manner that emerging young would not be able to move into areas where they could be crushed by vehicles or equipment. If nests cannot be avoided, construction activities within 50 feet of the identified nest location shall be delayed until the qualified biologist determines that the nests are no longer occupied.				
MITIGATION BIO-1C-3: Santa Cruz Black Salamander. Not more than 48 hours prior to initial ground disturbing activities, a pre-construction survey for Santa Cruz black salamander shall be conducted within all areas of Santa Cruz black salamander suitable habitat that will be directly or indirectly affected by Project construction activities and within 50 feet of such areas. Suitable habitat for this species in the study area consists of damp upland areas near/adjacent to existing aquatic features at the base of NCD including Newell Creek, the spillway plunge pool, seepage channel, ephemeral drainage, and seeps. Monitoring for this species shall also be conducted at least once daily during initial ground disturbing activities. If any individuals of Santa Cruz black salamander are observed during the pre-construction survey or subsequent monitoring, they shall be moved to the nearest appropriate habitat outside of the construction footprint by a qualified biologist. Approval from CDFW would be required prior to handling/translocating individuals of this species.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey and construction monitoring. 	<ul style="list-style-type: none"> Prior to construction (not more than 48 hours) at locations specified in measure. Biological monitoring during initial ground disturbing activities. 	
MITIGATION BIO-1C-4. California Giant Salamander. Not more than 48 hours prior to initial ground disturbing activities, a pre-construction survey for California giant salamander shall be conducted within all areas of suitable habitat for this species (i.e., Newell Creek, the seepage channel, seeps and surrounding upland areas associated with these aquatic features) that will be directly or indirectly affected by Project construction activities and within 50 feet of such areas.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey and construction monitoring. 	<ul style="list-style-type: none"> Prior to construction (not more than 48 hours) at locations specified in measure. Biological monitoring during initial ground disturbing activities. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
Monitoring for this species shall also be conducted at least once daily during initial ground disturbing activities. If any individuals of California giant salamander are observed during surveys, they shall be moved to the nearest appropriate habitat outside of the construction footprint by a qualified biologist. Approval from CDFW would be required prior to handling individuals of this species.				
<p>MITIGATION BIO-1C-5. San Francisco Dusky-footed Woodrat.</p> <p>Not more than thirty (30) days prior to commencement of ground disturbing activities at each work area, a qualified biologist shall conduct a pre-construction survey to locate existing San Francisco dusky-footed woodrat nests. Any nests that are identified in the construction footprint or within 20 feet shall be photographed, mapped and flagged or fenced for avoidance. For the protection of San Francisco dusky-footed woodrat individuals that may be present in the construction footprint, complete avoidance of San Francisco dusky-footed woodrat middens/nests is recommended.</p> <p>If avoidance of identified middens/nests is not feasible, the following measures are recommended prior to the commencement of ground disturbing activities to avoid and reduce impacts on San Francisco dusky-footed woodrat:</p> <ul style="list-style-type: none"> a) After obtaining approval of the biologist qualifications from CDFW, a qualified biologist shall dismantle the nest by hand to allow for adult San Francisco dusky-footed woodrat individuals to escape (this work shall be conducted outside of the breeding season for this species which is April through June); b) If young are observed during the dismantling process, the qualified biologist shall stop work for a minimum of 24 hours to allow the adult woodrats to relocate their young; c) Once the nest is determined to be vacant, the dismantling process shall be completed and the 	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> • City responsible for hiring qualified biologist to conduct pre-construction survey and nest removal if necessary. 	<ul style="list-style-type: none"> • Prior to construction (not more than 30 days prior) at locations specified in measure. • Prior to construction, removal of nests outside breeding period, which is April-June 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>nest materials shall be collected and moved to another suitable location nearby and outside of the construction footprint to allow for nest reconstruction; and</p> <p>d) Where feasible, piles of cut vegetation and slash generated by project clearing and grubbing activities shall be left outside of, but near the work area, to provide refuge for woodrats that may become displaced by project activities.</p>				
<p>MITIGATION BIO-1C-6. Special-status Bats. Not more than 15 days prior to the initiation of any construction activities that involve tree trimming or removal, including clearing and grubbing of work areas and staging areas, that could affect potential daytime or maternity roost sites, a focused visual survey shall be completed by a qualified biologist to determine if any potential roost sites are present. Surveys for daytime roosts are required year round while surveys for potential maternity roost sites are only required from April through July.</p> <p>If active daytime roosts are discovered, disturbance to the roost site shall not occur until it is determined by the biologist that any bats using the roost are no longer present.</p> <p>If active maternity roosts are discovered that could be directly impacted by tree trimming/removal and/or Project construction activities, an appropriate no disturbance buffer will be established by a qualified biologist in coordination with City staff and maintained until it is determined by the biologist that all young have fledged and are no longer dependent upon the roost site for survival. The no disturbance buffer distances will be a minimum of 25 feet, but this distance may be increased or decreased based on site specific conditions, including location and relationship of the roost site to the construction zone, and type of construction activities being conducted.</p>	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey. 	<ul style="list-style-type: none"> Prior to construction (not more than 15 days prior) at tree trimming or tree removal area; year-round for daytime roosts; Apr-July for maternity roosts. Prior to construction, removal of nests outside breeding period, which is April-June 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>MITIGATION BIO-1D-1: If ground disturbing activities will occur in Staging Areas 5-7 or are proposed outside of these or any of the other (previously surveyed) staging or work areas, protocol-level surveys shall be performed for woodland woollythreads plant species during the blooming period for this species which is typically March to July. If this species is not detected, no further surveys or mitigation would be necessary. If any individuals or populations of woodland woollythreads are detected, the location(s) shall be mapped, and a mitigation plan shall be prepared and implemented that includes, but is not limited to, the following elements and criteria:</p> <ul style="list-style-type: none"> a) A description of any areas of habitat occupied by special-status plants to be preserved and/or removed by the Project; b) Identification and evaluation of the suitability of on-site or off-site areas for preservation, restoration, enhancement or translocation; c) Analysis of species-specific requirements and considerations and specific criteria for success relative to the Project's impact on this species and restoration, enhancement or translocation. d) A description of proposed methods of preservation, restoration, enhancement, and/or translocation; e) A description of specific performance standards, including a required replacement ratio and minimum success standard of 1:1 for impacted individuals or populations; f) A monitoring and reporting program to ensure mitigation success; and g) A description of adaptive management and associated remedial measures to be implemented in the event that performance standards are not achieved. 	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> • City responsible for hiring qualified biologist to conduct protocol plant survey. 	<ul style="list-style-type: none"> • Prior to construction during blooming period (March-July) at Staging Areas 5-7 or other areas not previously surveyed where ground disturbing activities will occur 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>Mitigation BIO-2-1: When working in or adjacent to the active stream channel (i.e., construction of the culvert bridge crossing and NCP crossing), avoid disturbance of retained riparian vegetation (Red alder-Bigleaf maple forest), to the maximum extent practicable.</p>	<p>Implementation actions are outlined in the mitigation measure. Installation of exclusion fencing to be included in Construction Specifications.</p>	<ul style="list-style-type: none"> • City responsible for review of final plans. • City is responsible for hiring qualified biologist to determine locations of exclusion fencing for retained riparian vegetation. • Contractor is responsible for installation. • City responsible for periodic inspections during construction. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Installation prior to construction. • Periodic inspection during construction to ensure no violations. 	
<p>Mitigation BIO-2-2: For unavoidable impacts to the Red alder-bigleaf maple forest (which constitutes the only riparian community in the study area), coast live oak-madrone woodland, and bigleaf maple forest communities, a project-specific revegetation and restoration plan shall be developed and implemented. The plan shall specify the criteria and standards by which the revegetation and restoration actions will compensate for impacts of the proposed Project on these communities and shall at a minimum include discussion of the following:</p> <ul style="list-style-type: none"> a) the restoration objectives and type and amount of restoration to be implemented (in-kind at a minimum restoration to impact ratio of 1:1); b) the location of the proposed restoration site(s) (either on-site or within the San Lorenzo River watershed, if possible); c) the methods to be employed for restoration implementation; d) success criteria and a monitoring program to ensure vegetation community restoration success; e) adaptive management and remedial measures to be implemented in the event that performance stands are not achieved; and a mechanism for long term 	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> • City responsible for final mitigation plans. • City is responsible for implementation as specified in the plan. 	<ul style="list-style-type: none"> • Mitigation plan to be included in permit reviews by CDFW (1602 Streambed Alteration Agreement) and RWQCB (401 Water Quality Certification) prior to site preparation (tree removal, ground disturbance). 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
management and protection of the restoration area.				
MITIGATION BIO-3-1: Future refinements to the proposed Project (i.e., as Project components are further developed from the 50% design level to 100% design) shall endeavor to avoid jurisdictional aquatic resources, to the extent practicable, through Project design changes or implementation of alternative construction methodologies.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for review of final plans. 	<ul style="list-style-type: none"> Plans to be completed prior to site preparation. 	
MITIGATION BIO-3-2: For unavoidable impacts to jurisdictional aquatic resources, a project-specific mitigation plan shall be developed, approved by the ACOE and RWQCB through their respective regulatory permitting processes, and implemented. The mitigation plan shall specify the criteria and standards by which the mitigation will compensate for impacts of the proposed Project and include discussion of the following: <ul style="list-style-type: none"> a) the mitigation objectives and type and amount of mitigation to be implemented (in-kind mitigation at a minimum mitigation ratio of 1:1); b) the location of the proposed mitigation site(s) (within the San Lorenzo River watershed, if possible); c) the methods to be employed for mitigation implementation (wetland establishment, re-establishment, enhancement, preservation); d) success criteria and a monitoring program to ensure mitigation success; e) adaptive management and remedial measures in the event that performance standards are not achieved; and f) a mechanism for long term management and protection of the mitigation area. 	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for final mitigation plans. City is responsible for implementation as specified in the plan. 	<ul style="list-style-type: none"> Mitigation plan to be included in permit reviews by ACOE (404), and RWQCB (401 Water Quality Certification) prior to site preparation (tree removal, ground disturbance). 	
MITIGATION BIO-3-3: Where feasible and appropriate, all jurisdictional aquatic resources not directly affected by	Implementation actions are outlined in the mitigation	<ul style="list-style-type: none"> City responsible for review of final plans. 	<ul style="list-style-type: none"> Include measure in construction specs. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
construction activities will be avoided and protected by establishing staking, flagging or fencing between the identified construction areas and aquatic resources to be avoided/preserved.	measure. Installation of exclusion fencing to be included in Construction Specifications.	<ul style="list-style-type: none"> City is responsible for hiring qualified biologist to determine locations of exclusion fencing for jurisdictional resources not impacted Contractor is responsible for installation. City responsible for periodic inspections during construction. 	<ul style="list-style-type: none"> Installation prior to construction. Periodic inspection during construction to ensure no violations. 	
MITIGATION BIO-4-1: If ground disturbing activities are to commence during the nesting season (February 1 – August 31), no more than two weeks prior to any ground disturbing activities, including site preparation, staging, removal of vegetation and clearing and grubbing, a nesting bird survey shall be completed by a qualified biologist to determine if any native birds are nesting in or adjacent to the study area (including within a 50-foot buffer for passerine species and a 250-foot buffer for raptors). If any active nests of native birds are observed during surveys, a suitable avoidance buffer from the nests should be determined by a qualified biologist in coordination with City staff, based on species, location, and extent and type of planned construction activity. Impacts to active nests shall be avoided until the chicks have fledged and the nests are no longer active, as determined by the qualified biologist.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey. 	<ul style="list-style-type: none"> Prior to tree removal or ground disturbance between February 1 and August 31. 	
MITIGATION BIO-4-2: <u>Bald Eagle Pre-construction Survey.</u> A focused nest survey shall be conducted by a qualified biologist if construction activities are initiated during the nesting season for bald eagle (February–July for this species in California). The survey shall be conducted not more than 30 days prior to the initiation of construction activities including tree removal, other site preparation or ground disturbing activities adjacent to the Reservoir (e.g.,	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for hiring qualified biologist to conduct pre-construction survey. 	<ul style="list-style-type: none"> Not more than 30 days prior to tree removal or ground disturbance between February 1 and July. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>clearing and grubbing/grading for establishment of staging areas), or any in-reservoir work, a focused nest survey shall be conducted by a qualified biologist. Surveys shall be conducted within all suitable nest habitat within the study area and within one half mile (or as otherwise determined appropriate by the qualified biologist) of the study area. If an active nest is located, the biologist, in coordination with City staff, shall determine the level of direct/indirect impacts that would likely occur to the nest and tree if construction activity will occur during the nesting season. The determination shall be made taking into consideration the type/extent of the activity, the location of the nest, and the direct line of sight of the activity from the nest. If no-disturbance buffers are determined to be necessary to protect nesting bald eagles, the buffer distances shall be established based on application of the criteria and standards described in the National Bald Eagle Management Guidelines (USFWS 2007).</p> <p>If it is determined that no direct impacts to an active nest will occur (i.e., the tree would not be removed, trimmed, etc.), measures to mitigate indirect impacts will be taken depending on if there is visual line of sight to the construction activity.</p> <p>a) If the tree with an active nest is within a visual line of sight of construction activity, then efforts will be made to conduct the construction activity outside the period when the nest is occupied, as determined by the biologist. Construction can begin/continue once it is determined that any young have fledged from the nest and are no longer dependent upon the nest for survival.</p> <p>b) If the tree with an active nest is outside the direct line of site from the construction area, but construction will occur during the period of time the nest is active, an appropriate no disturbance buffer, taking into consideration factors such as the type/extent of the activity, the age of any young in the nest, tree cover,</p>				

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>and topography, shall be established and maintained, until any young have fledged from the nest and are no longer dependent upon the nest for survival.</p> <p>c) If it is determined that a tree with an active bald eagle nest will be directly impacted (i.e., removed, trimmed, etc.) or that indirect impacts could result in take (e.g., nest abandonment, nest failure) of eggs or young in the nest, then the CDFW shall be consulted regarding the need for an Incidental Take Permit pursuant to Section 2081 of the California Fish and Game Code, and the United States Fish and Wildlife Service shall be consulted to determine the need for a take permit pursuant to the Bald and Golden Eagle Protection Act.</p>				
<p>MITIGATION BIO-8-1.A Turbidity Monitoring Plan (Plan) shall be developed, submitted to RWQCB for review and approval, and implemented to guide appropriate management practices and corrective actions to ensure elevated turbidity levels in Loch Lomond Reservoir do not occur. This Plan would protect water quality in Loch Lomond Reservoir and ensure turbid water and/or water with elevated levels of contaminants are not released into Newell Creek via the continuous 1 CFS beneficial release. The Plan will describe the sampling methods, frequency, and criteria as well as thresholds for corrective action. The Plan will also specify a program for monitoring and reporting to the Central Coast RWQCB.</p>	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> City responsible for hiring qualified professional to prepare plan and submit to RWQCB for review/approval. Contractor to conduct monitoring. 	<ul style="list-style-type: none"> Prior to site preparation or work in or near the Reservoir for preparation of the plan. Sampling and monitoring during construction in accordance with specifications in the plan. 	
<p>B. Cultural Resources</p> <p>MITIGATION CUL-5-1: Prior to commencement of any grading activity on-site, the City shall retain a qualified paleontologist to prepare a Paleontological Resources Impact Mitigation Program (PRIMP), consistent with the guidelines of the Society of Vertebrate Paleontology (SVP) (2010) that outlines requirements for: worker environmental awareness training; locations and timing of construction monitoring; procedures for discoveries treatment; and paleontological methods</p>	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> City responsible for hiring qualified paleontologist to prepare the PRIMP and conduct worker training and monitoring. 	<ul style="list-style-type: none"> Prior to site grading or excavation for preparation of PRIMP and worker training. Paleontological monitoring to be conducted at times 	

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<p>(including sediment sampling for microvertebrate fossils), reporting, and collections management.</p> <p>The qualified paleontologist shall attend a preconstruction meeting to provide construction worker training regarding procedures in the event of discovery of paleontological resources during construction. Monitoring shall consist of onsite spot-checking once a week for five weeks during the excavation for the staging area, for two days during the first week of the tunnel excavation (to get a sense of the equipment operations), and several intermittent spot-checks thereafter. Monitoring of excavation shall consist of reviewing tunnel spoils but not entering the tunnel.</p> <p>In the event that significant paleontological resources (e.g., fossils) are unearthed during grading, the paleontological monitor shall coordinate with the Construction Manager or City Staff to temporarily halt and/or divert grading activity within a 50-foot radius to examine the resource. If the find is significant, the City shall require treatment of the find in accordance with the recommendations of the paleontologist, which may include, but are not limited to, specimen recovery and curation or thorough documentation. Once documentation and/or collection of the find is completed, grading may recommence in the area of the find.</p>			identified in the measure.	
C. Forestry Resources				
<p>MITIGATION FOR-2-1: Replant trees where removed in temporarily disturbed areas resulting from Project construction where planting would meet forest management or habitat enhancement goals and recommendations identified in the City's Draft Watershed Lands Management Plan (City of Santa Cruz, 2013) or the Watershed Resources Management Plan Planning Analysis and Recommendations Report (Swanson et al., 2002).</p>	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for preparing a replanting plan and replanting. 	<ul style="list-style-type: none"> Upon completion of construction. 	
<p>MITIGATION FOR-2-2: Implement forest management measures on retained forest land consistent with City's Draft</p>	Implementation actions are outlined in the mitigation	<ul style="list-style-type: none"> City responsible for identifying forest management areas and 	<ul style="list-style-type: none"> Upon completion of construction. 	

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<p>Watershed Management Plan (City of Santa Cruz, 2013). Management acreage should equal the total of permanently impacted forest land. Management may include:</p> <ul style="list-style-type: none"> • Recruitment of snags or other elements to facilitate the development of late-seral forest conditions. • Removal of dead, dying, diseased, or hazardous trees. • Management of fuel loads (e.g., fuel breaks, treatment of ladder fuels) to minimize the threat of catastrophic wildfire. • Treatment and/or removal of invasive species, notably French broom. 	<p>measure.</p>	<p>completing management efforts as recommended in the measure.</p>		
<p>MITIGATION FOR-2-3: Implement measures to protect retained trees/stands from construction damage. This would be based on a project-specific Tree Protection Plan to be prepared by an International Society of Arboriculture (ISA) Certified Arborist or Registered Professional Forester (RPF). The intent of the Plan is to minimize the potential for tree damage or mortality caused by construction-related activity. The Plan will address retained trees/stands adjacent to areas where soil disturbance is proposed and where tools or equipment have the potential for damaging tree roots and canopies. The Plan will include specific protection measures for the root zone, bole, and canopies of retained trees. The Plan will be consistent with ANSI A300 standards (ANSI 2012) for management and protection of trees during site development and construction activities and should include a construction monitoring and reporting component.</p>	<p>Implementation actions are outlined in the mitigation measure.</p>	<ul style="list-style-type: none"> • City responsible for hiring qualified professional to prepare Tree Protection Plan in accordance with specifications in measure and construction monitoring and reporting. • Contractor is responsible for installing/maintaining tree protection measures during construction. 	<ul style="list-style-type: none"> • Prior to construction for preparation of plan. • During construction for implementation of provisions in Tree Protection Plan and monitoring and reporting. 	
<p>MITIGATION FOR-2-4: Implement measures to minimize the potential for pathogen spread. Sanitize tools and equipment used in vegetation clearing (including tree removal) operations. If soil is collected on equipment, rinse equipment on site with a portable water tank or water truck, or at a designated rinsing station, to remove soil-borne pathogens and prevent transport to new sites. Implement additional</p>	<p>Implementation actions are outlined in the mitigation measure and the measure will be included as a construction specification.</p>	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementing during construction. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. 	

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prevention methods for SOD (University of California, 2010, COMTF, 2014) and pitch canker (University of California, 2013). Inspect loads of logs and equipment leaving the site to ensure that no host material is being transported without a permit (if material is being transported to a location outside the SOD Regulated Area). If importing vegetative material for restoration purposes, ensure that material that has been produced in conformance with the latest horticultural standards in pest and disease avoidance and sanitation.				
D. Hazards and Hazardous Materials				
MITIGATION HAZ-1B-1 The City shall require testing of representative bedrock/soil spoil samples, to be exported offsite, in accordance with the acceptance criteria of the anticipated disposal facility.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor responsible for hiring qualified professional to test spoil samples and determine disposal location. 	<ul style="list-style-type: none"> Prior or disposal of excavated spoils. Testing to be completed before off-site disposal. 	
MITIGATION HAZ-1B-2 In the event that offsite disposal of spoils would occur at construction projects in the area, the City shall require testing of representative bedrock/soil spoil samples, to be exported offsite, in accordance with regulatory criteria with respect to reuse on other properties located off the Project site.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor responsible for hiring qualified professional to test spoil samples and determine disposal location. 	<ul style="list-style-type: none"> Prior or disposal of excavated spoils. Testing to be completed before off-site disposal. 	
MITIGATION HAZ-2A-1 The City shall direct the contractor to wash out concrete trucks in a designated area, either on site or off site, where the material cannot run off into Loch Lomond Reservoir or Newell Creek. This area shall be specified on all applicable construction plans and be in place before any concrete is poured. The City shall direct the contractor to service construction vehicles in a manner that	Implementation actions are outlined in the mitigation measure, and measure, and the measure will be included as a construction specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspections during construction. Contractor is responsible for implementing during 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction with periodic inspection. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
contains fluids, such as lubricants, within an impervious area to avoid spill-related water quality impacts.		construction.		
MITIGATION HAZ-2A-2 The City shall direct the contractor to inspect and, as necessary, service all equipment before it enters the construction site and regularly thereafter, and before working adjacent to the Loch Lomond Reservoir and Newell Creek, to avoid equipment leak-related water quality impacts. The City shall direct the contractor to repair any leaks or hoses/fittings in poor condition before the equipment begins operating.	Implementation actions are outlined in the mitigation measure, and measure, and the measure will be included as a construction specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspections during construction. Contractor is responsible for implementing during construction. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction with periodic inspection. 	
MITIGATION HAZ-2A-3 The City shall direct the contractor to prepare a spill contingency/containment plan prior to equipment use on the Project site, including in-reservoir and on the ground construction. The City shall direct the contractor to follow the spill contingency/containment plan, which shall include, but not be limited to: <ul style="list-style-type: none"> a) Specific bermed equipment maintenance and refueling areas. b) Spill containment boom around the dredge. c) Bermed and lined hazardous materials storage areas on-site that are covered during the rainy season. d) Hazardous material spill cleanup equipment for onshore areas (e.g., absorbent pads, shovels, and bags to contain contaminated soil) and within the reservoir (e.g., skimmers, socks and boom, absorbent pads, dispersants). e) Workers trained in the location and use of cleanup equipment. 	Implementation actions are outlined in the mitigation measure, and measure, and the measure will be included as a construction specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. City responsible for review of contractor spill contingency plan and periodic inspections during construction.. Contractor is responsible for preparing and spill contingency plan and implementing during construction. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction with periodic inspection. 	
MITIGATION HAZ-2B-1 The City shall direct the contractor to consult with an industrial hygienist to determine the appropriate level of personal protective equipment (PPE), if any, would be required for construction personnel during handling of Reservoir bottom sediments and participation in tunneling, excavating, stockpiling, and handling of on site	Implementation actions are outlined in the mitigation measure, and measure, and the measure will be included as a construction specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
bedrock and associated spoils. The contractor shall implement the recommendations by the industrial hygienist in order to minimize potential exposure of construction personnel to metals concentrations in bedrock/sediments during construction. All recommendations shall be completed in accordance with Occupational Safety and Health Administration (OSHA) Training Requirements (29 CFR 1910.132 and 1910.134, Subpart I – Personal Protective Equipment).				
E. Hydrology and Water Quality				
MITIGATION HYDRO-4-1 Develop and maintain construction access roads to minimize erosion and sediment generation in accordance with recommendations in the Draft Watershed Lands Management Plan, including, but not limited to: a) Install and maintain effective water bars and rolling drain dips. b) Maintain out-sloped roads wherever possible. c) Surface and/or resurface Project access roads with rock or other appropriate material to reduce erosion where road surface is visibly eroding and being transported off of the road, particularly where sediment can enter a watercourse. d) Reduce the use of inside ditches and culverts by installing rolling dips at appropriate intervals.	Implementation actions are outlined in the mitigation measure, and the measure will be included as a construction specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Inspect roads during construction to ensure compliance. 	
MITIGATION HYDRO-4-2 Conduct field inspections of roads and drainage systems, including: a) Conduct field inspections prior to the rainy season, and during rainfall events greater than 2 inches, as needed. b) Clear road inlets, culverts, and other stream crossing structures of obstructions prior to and throughout the wet season.	Implementation actions are outlined in the mitigation measure.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor responsible for inspections and clearing road inlets, culverts and other stream crossing structures as necessary. 	<ul style="list-style-type: none"> Inspection timing is specified in the measure. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
F. Project-Proposed Best Management Practices (BMPs)				
<i>Erosion and Air Quality Control</i>				
BMP-1. Implement erosion control Best Management Practices (BMPs) for all construction activities occurring in or adjacent to jurisdictional aquatic resources, including the Reservoir, spillway, spillway plunge pool, Newell Creek, ephemeral drainage, and undisturbed wetlands. These measures may include, but are not limited to: (1) installation of silt fences, fiber rolls, and/or bales along limits of work/construction areas and from the edge of the water course; (2) covering of stockpiled spoils; (3) re-vegetation and physical stabilization of disturbed graded and staging areas; and (4) sediment control including fencing, dams, barriers, berms, traps, and associated basins.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
BMP-2. Provide stockpile containment and exposed soil stabilization structures (e.g., Visqueen plastic sheeting, fiber rolls, gravel bags, and/or hydroseed).	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
BMP-3. Provide runoff control devices (e.g., fiber rolls, gravel bag barriers/chevrons, etc.) used during construction phases conducted during the rainy season,	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications, per-construction inspections, and periodic inspections. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	

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BMP-4. Implement wind erosion (dust) controls, including: <ul style="list-style-type: none"> • Use of a water truck. • Use of a water truck. • Water active construction areas as necessary to control fugitive dust. • Hydro seed and/or apply non-toxic soil binders to exposed areas after cut and fill operations. • Cover inactive storage piles. • Cover all trucks hauling dirt, sand, or loose materials off site. • Install appropriately effective track-out capture methods at the construction site for all existing trucks. 	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications. • Contractor is responsible for implementation. 	<p>ensure no violations.</p> <ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. • Pre-construction inspection to confirm measures are in place. • Periodic inspection during construction to ensure no violations. 	
BMP-5. Limit level of road use, including: <ul style="list-style-type: none"> • Limit road use based on road conditions, surfacing, cumulative rainfall, and saturation. • Close roads seasonally and as needed to prevent excessive erosion and sedimentation. • Restrict access on low-use roads with gates or other barriers. 	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inspections and imposition of use restrictions, if necessary. 	<ul style="list-style-type: none"> • Implement during construction. • Periodic inspection during construction to ensure no violations. 	
Water Quality				
BMP-6. Utilize sediment curtains, silt fences and/or coffer dams where construction activities could cause sediment to enter Newell Creek. These measures would be placed at the perimeter of the construction zone to prevent sediment disturbed during excavation/grading activities from being transported and deposited outside of the construction zone. Silt fencing would be installed in upland areas based on topography and where construction occurs within 50 feet of Newell Creek or tributaries.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspections. • Contractor is responsible for implementation. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. • Pre-construction inspection to confirm measures are in place. • Periodic inspection during construction to ensure no violations. 	

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BMP-7. Silt curtains or silt screens shall be employed during dredging and disposal activities in the Reservoir to isolate the dredged material and maintain water quality elsewhere in the Reservoir in compliance with Central Coast RWQCB Basin Plan objectives. The silt curtains shall be designed and installed without holes in which pond turtles could become trapped. Silt curtains will encompass the in-reservoir work area and extend from the water surface to the bed of the reservoir.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspections. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
BMP-8. Spoil disposal sites and other debris areas such as concrete wash sites shall be located, stabilized, and sediment control measures implemented so that sediment is not conveyed to Newell Creek.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspections. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
BMP-9. Minimize potential for hazardous spills from heavy equipment by not storing equipment or fueling within a minimum of 65 feet of the active stream channel or water body unless approved by permitting agencies along with implementation of additional spill prevention methods such as secondary containment and inspection	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspections. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
BMP-10. Other than watercraft, heavy equipment (such as cranes) for loading water craft, barges, and in-reservoir	Implementation actions are outlined in the BMP, which will	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction 	<ul style="list-style-type: none"> Include measure in construction specs. 	

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equipment that cannot be readily removed from the Reservoir, no equipment fueling or servicing shall be done in the Reservoir, or within 50 feet of the Reservoir boundary.	be included as a Construction Specification.	Specifications and pre-construction and periodic inspections. • Contractor is responsible for implementation.	<ul style="list-style-type: none"> • Implement during construction. • Periodic inspection during construction to ensure no violations. 	
BMP-11. Ensure that gas, oil, or any other substances that could be hazardous to aquatic life or pollute habitat are prevented from contaminating the soil and/or entering waters of the state and/or waters of the United States by storing these types of materials within an established containment area. Vehicles and equipment would have spill kits available, be checked daily for leaks, and would be properly maintained to prevent contamination of soil or water from external grease and oil or from leaking hydraulic fluid, fuel, oil, and grease. Any gas, oil, or other substance that could be considered hazardous provided on the barge, shall be stored in water-tight containers with secondary containment. Emergency spill kits shall be onsite at all times.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspections. • Contractor is responsible for implementation. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. • Pre-construction inspection to confirm measures are in place. • Periodic inspection during construction to ensure no violations. 	
BMP-12. Prevent equipment fluid leaks through regular equipment inspections.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications and periodic inspection. • Contractor is responsible for implementation. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. • Periodic inspection during construction to ensure no violations. 	
BMP-13. Tremie-placed concrete shall contain an anti-washout admixture and shall be placed in an area isolated from the main area of the reservoir or stream by a silt curtain or other means. Other fresh concrete shall be isolated from wetted channels for a period of 30 days after it is poured. If a 30-day curing period is not feasible, a concrete sealant as approved by NMFS and CDFW may be applied to the surfaces of the concrete structure. If a sealant is used, the manufacturer's guidelines for drying times would be followed before re-establishing surface flows within the work area.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspections. • Contractor is responsible for implementation. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. • Pre-construction inspection to confirm measures are in place. • Periodic inspection during construction to ensure no violations. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
BMP-14. Implement proper waste/trash management.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and pre-construction and periodic inspection during implementation. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> ensure no violations. Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
<i>In-Channel Work-Fish Species Protection</i>				
BMP-15. Activities in the active (i.e., flowing) channel will be avoided whenever possible. If activities must be conducted in the active channel, best management practices #16, 17, and 21-27 shall be applied.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection during implementation. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Periodic inspection during construction to ensure no violations. 	
BMP-16. Isolate work areas as needed and bypass flowing water around work site (see dewatering measures below).	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection during implementation. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
BMP-17. Personnel shall use the appropriate equipment for the job that minimizes disturbance to the channel bed and	Implementation actions are outlined in the BMP, which will	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction 	<ul style="list-style-type: none"> Include measure in construction specs. 	

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banks. Appropriately-tired vehicles, either tracked or wheeled, shall be used depending on the situation.	be included as a Construction Specification.	Specifications and periodic inspection during implementation. • Contractor is responsible for implementation.	<ul style="list-style-type: none"> Implement during construction. Periodic inspection during construction to ensure no violations. 	
<i>General Habitat Protection</i>				
BMP-18. When working in or adjacent to the active stream channel (i.e., construction of the culvert crossing and NCP crossing), avoid disturbance of retained riparian vegetation to the maximum extent practicable.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection during implementation Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Periodic inspection during construction to ensure no violations. 	
BMP-19. Restore all temporarily disturbed natural communities/areas by replanting native vegetation using a vegetation mix appropriate for the site.	Implementation actions are outlined in the BMP	• City responsible for replanting.	• Upon completion of construction.	
BMP-20. Require decontamination of any vessels, including tools and equipment, prior to entering the Reservoir and Newell Creek, to prevent introduction of invasive species into the Reservoir.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection during implementation. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Periodic inspection during construction to ensure no violations. 	
<i>Dewatering</i>				
BMP-21. Prior to the start of work or during the installation of water diversion structures, native aquatic vertebrates shall be captured in the work area and transferred to another reach as determined by a qualified biologist. Capture and relocation of aquatic native vertebrates is not required at individual project sites when site conditions preclude reasonably effective operation of capture gear and equipment, or when the safety of the biologist conducting the capture may be compromised.	Implementation actions are outlined in the BMP, which.	• City responsible for hiring qualified biologist to be present during dewatering and to implement capture and relocation plan if needed.	• Biologist to be present during installation of coffer dam and dewatering.	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>BMP-22. When work in a flowing stream is unavoidable, the work area will be isolated from the stream. This may be achieved by diverting the entire streamflow around the work area by a pipe or open channel. Cofferdams shall be installed both upstream and downstream of the work areas at locations determined suitable based on site specific conditions, including proximity to the construction zone and type of construction activities being conducted. Cofferdam construction shall be adequate to prevent seepage to the maximum extent feasible into or from the work area. Where feasible, water diversion techniques shall allow stream flows to gravity flow around or through the work site. If gravity flow is not feasible, stream flows may be pumped around the work site using pumps and screened intake hoses. Sumps or basins may also be used to collect water, where appropriate (e.g., in channels with low flows). The work area will remain isolated from flowing water until any necessary erosion protection is in place. All water shall be discharged in a non-erosive manner (e.g. gravel or vegetated bars, on hay bales, on plastic, on concrete, or in storm drains when equipped with filtering devices, etc.).</p>	<p>Implementation actions are outlined in the BMP, which will be included as a Construction Specification.</p>	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications and periodic inspection during implementation. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction when work in flowing stream is unavoidable. Pre-construction inspection to confirm measures are in place. Periodic inspection during construction to ensure no violations. 	
<p>BMP-23. If a bypass will be of open channel design, the berm confining the channel may be constructed of material from the channel.</p>	<p>Implementation actions are outlined in the BMP, which will be included as a Construction Specification.</p>	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation, if needed. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction if needed. 	
<p>BMP-24. Diversions shall maintain ambient flows below the diversion, and waters discharged below the project site shall not be diminished or degraded by the diversion. All imported materials placed in the channel to dewater the channel shall be removed when the work is completed. Dirt, dust, or other potential discharge material in the work area will be contained and prevented from entering the flowing channel. Normal flows shall be restored to the affected stream as soon as is feasible and safe after completion of work at that</p>	<p>Implementation actions are outlined in the BMP, which will be included as a Construction Specification.</p>	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. City is responsible for periodic and post-construction inspection to ensure all imported materials are 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Periodic inspection to confirm compliance with the measure. Post-construction 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
location. BMP-25. To the extent that stream bed design changes are not part of the project, the stream bed, including any low-flow channel, will be returned to as close to pre-project condition as possible unless the pre-existing condition was detrimental to channel condition as determined by a qualified biologist or hydrologist.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	removed. <ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. City is responsible for post-construction inspection 	inspection. <ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Post-construction inspection. 	
BMP-26. All temporary diversion structures and the supportive material shall be removed as soon as reasonably possible, but no more than 72 hours after work is completed.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. City is responsible for post-construction inspection to ensure all imported materials are removed. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Post-construction inspection. 	
BMP-27. Temporary fills, such as for access ramps, diversion structures, or cofferdams, shall be completely removed upon finishing the work.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. City is responsible for post-construction inspection to ensure all imported materials are removed. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. Post-construction inspection. 	
Others				
BMP-28. In the event that archaeological resources (sites, features, or artifacts) are exposed during construction activities for the proposed Project, all construction work occurring within 100 feet of the find shall immediately stop until a qualified archaeologist, meeting the Secretary of the Interior's Professional Qualification Standards, can evaluate	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> City responsible for inclusion of measure in Construction Specifications. Contractor is responsible for implementation. 	<ul style="list-style-type: none"> Include measure in construction specs. Implement during construction. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
the significance of the find. The archaeologist will determine whether additional study is warranted. Should it be required, the archaeologist may install temporary flagging around a resource to avoid any disturbances from construction equipment. Depending upon the significance of the find under CEQA (14 California Code of Regulations Section 15064.5(f); Public Resources Code Section 21082), the archaeologist may record the find to appropriate standards (thereby addressing any data potential) and allow work to continue. If the archaeologist observes the discovery to be potentially significant under CEQA, additional treatment may be required.				
BMP-29. In accordance with Section 7050.5 of the California Health and Safety Code, if potential human remains are found, the lead agency staff and the County Coroner must be immediately notified of the discovery. The coroner would provide a determination within 48 hours of notification. No further excavation or disturbance of the identified material, or any area reasonably suspected to overlie additional remains, can occur until a determination has been made. If the County Coroner determines that the remains are, or are believed to be, Native American, the coroner would notify the Native American Heritage Commission (NAHC) within 24 hours. In accordance with Public Resources Code Section 5097.98, the NAHC must immediately notify those persons it believes to be the Most Likely Descendant (MLD) from the deceased Native American. Within 48 hours of this notification, the MLD would recommend to the lead agency her/his preferred treatment of the remains and associated grave goods.	Implementation actions are outlined in the BMP, which will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications. • Contractor is responsible for implementation. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. 	
BMP-30. Notify adjacent property owners of nighttime construction schedules. A "Construction Noise Coordinator" will be identified. The contact number for the Construction Noise Coordinator will be included on notices distributed to neighbors regarding planned nighttime construction activities. The Construction Noise Coordinator will be responsible for	Implementation actions are outlined in the mitigation measure, and the measure will be included as a Construction Specification.	<ul style="list-style-type: none"> • City responsible for inclusion of measure in Construction Specifications. • Contractor is responsible for implementation. 	<ul style="list-style-type: none"> • Include measure in construction specs. • Implement during construction. 	

<u>Mitigation Measure</u>	<u>Implementation Actions</u>	<u>Monitoring / Reporting Responsibility</u>	<u>Timing Requirements</u>	<u>Reporting Requirements & Verification of Compliance</u>
<p>responding to any local complaints about construction noise. When a complaint is received, the Construction Noise Coordinator shall notify the City within 48 hours of the complaint, determine the cause of the noise complaint, and implement as possible reasonable measures to resolve the complaint, as deemed acceptable by the City.</p> <p>BMP-31. A qualified biologist shall conduct a training-educational session for project construction personnel prior to any mobilization-construction activities within the Project site to inform personnel about species that may be present. The training shall consist of basic identification of special status species that may occur on or near the Project site and their habitat, their basic habits, how they may be encountered in the work area, and procedures to follow when they are encountered. The training will include a description of the project boundaries; general provisions of the Migratory Bird Treaty Act, California Fish and Game Code, and federal and state Endangered Species Acts; the necessity for adhering to the provision of these regulations; and general measures for the project to protect special-status species, including breeding birds and their nests. Any personnel joining the work crew later shall receive the same training before beginning work.</p>	<p>Implementation actions are outlined in the mitigation measure.</p>	<p>City responsible for hiring qualified biologist or trained designee to conduct monitoring.</p>	<p>Implement at the onset of mobilization-construction and when new construction personnel arrive at the site.</p>	

RESOLUTION NO. ____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ CERTIFYING
THE FINAL ENVIRONMENTAL IMPACT REPORT FOR NEWELL CREEK DAM
INLET/OUTLET REPLACEMENT PROJECTT

WHEREAS, pursuant to Public Resources Code section 21067 of the California Environmental Quality Act (Pub. Res. Code §§ 21000 et seq.) (“CEQA”) and section 15367 of the State CEQA Guidelines (Cal. Code Regs, tit. 14, § 15000 et seq.), the City is the lead agency for the proposed Newell Creek Dam Inlet/Outlet Replacement Project; and

WHEREAS, a Notice of Preparation (“NOP”) of an Environmental Impact Report (“EIR”) for the Newell Creek Dam Inlet/Outlet Replacement Project (the “Project”) was issued by the Water Department of the City of Santa Cruz on June 28, 2018; and

WHEREAS, an EIR Scoping Meeting was held on July 18, 2018 in Santa Cruz and on July 19, 2018 in Ben Lomond to receive comments regarding the scope of issues to be addressed in the EIR; and

WHEREAS, a Draft Environmental Impact Report (“DEIR” or “Draft EIR”) was prepared and issued for agency and public review and comment on November 7, 2019, for a 45-day review period that ended on December 21, 2019; and

WHEREAS, four (4) comment letters were received on the Draft EIR from public agencies, organizations, and individuals; and

WHEREAS, a Final Environmental Impact Report (“FEIR” or “Final EIR”), incorporating all comments received on the DEIR and responses to comments was issued on April 1, 2019; and

WHEREAS, the Final EIR consists of the November Draft EIR, comments received on the DEIR, responses to comments, modifications made to the text of the Draft EIR, appendices to the DEIR, and all documents and resources referenced and incorporated by reference in the EIR; and

WHEREAS, the FEIR has been completed in compliance with the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq, the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 et seq.) (the “State CEQA Guidelines”) and local procedures adopted pursuant thereto; and

WHEREAS, the City of Santa Cruz Water Commission considered the Project at a meeting on May 6, 2019 and has received information on the purpose, need, cost, scope, schedule, and environmental impacts of the project and believes the analyses are sound and the

RESOLUTION NO.

project should proceed as scheduled, the next step of which would be for City Council to certify the Final EIR and approve the project.

WHEREAS, the City Council considered the FEIR at a meeting on May 14, 2019;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

- The City Council certifies that the Final EIR has been completed in compliance with CEQA, the State CEQA Guidelines, and local procedures adopted pursuant thereto.
- The City Council hereby finds that the Final EIR reflects the City's independent judgment and analysis, as required by Public Resources Code Section 21082.1.
- The City Council has independently reviewed and analyzed the Final EIR and considered the information contained therein and all comments, written and oral, received prior to approving this resolution.
- The City Council therefore hereby certifies the Final Environmental Impact Report for the Project.

PASSED AND ADOPTED this ____ day of ____, 2019 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk

EXHIBIT A

CEQA FINDINGS OF FACT

OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ

for the

NEWELL CREEK DAM INLET/OUTLET REPLACEMENT PROJECT

May 14, 2019

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I. **INTRODUCTION**

The City of Santa Cruz (“City”), as lead agency, prepared an Environmental Impact Report (“EIR”) for the Newell Creek Dam Inlet/Outlet Replacement Project (“the Project”). The Final EIR (FEIR), dated April 2019, consists of the November 2018 Draft EIR (“Draft EIR” or “DEIR”) with revisions, public comments and responses, and a Mitigation Monitoring and Reporting Program (MMRP). The EIR is a project-level EIR pursuant to Section 15161 of the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 et seq.) (the “State CEQA Guidelines”). The Project consists replacement of the existing aging inlet/outlet works at the Newell Creek Dam (NCD). (DEIR, p. 1-1).

These findings have been prepared in accordance with the California Environmental Quality Act (“CEQA”) (Pub. Resources Code, § 21000 et seq.), the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), and the City of Santa Cruz CEQA Guidelines. The FEIR is hereby incorporated by reference into these Findings.

II. **PROJECT DESCRIPTION**

A. Location

NCD, which impounds Loch Lomond Reservoir (Reservoir), is located in unincorporated Santa Cruz County, approximately 10 miles north of the City of Santa Cruz and two miles east of the community of Ben Lomond. NCD and the southern half of the Reservoir are located on an approximate 520-acre site owned by the City of Santa Cruz. Newell Creek feeds the Reservoir from the north, and continues south from the dam where it eventually joins the San Lorenzo River and flows into the Pacific Ocean. Access to NCD is provided by Newell Creek Road off Glen Arbor Road. (FEIR, p. 3-1).

B. Project Overview

The Project would consist of replacement of the existing aging inlet/outlet works in new locations at the Reservoir and other associated improvements.

C. Project Objectives

The objectives for the Project are as follows (FEIR, pp. 3-7 – 3-8):

1. Protect the City’s water supply system by addressing deficiencies in the NCD inlet/outlet works to maintain full system functionality and reliability, including the ability to collect water from different elevations in the Reservoir for treatment at the Graham Hill Water Treatment Plant.

2. Address deficiencies in the NCD inlet/outlet works to meet DSOD requirements to lower the maximum reservoir storage by 10 percent of the hydraulic head within seven days and to fully drain the reservoir to the deadpool in 90 days.
3. Improve overall operational efficiency and system performance of the NCD inlet/outlet works to provide flexibility to efficiently meet water demands and reservoir maintenance.
4. Improve access and ability to inspect and maintain the inlet/outlet system.
5. Implement an inlet/outlet replacement project that is relatively cost-effective in terms of both capital and operation/maintenance costs.
6. Complete the first segment replacement of the existing aging Newell Creek Pipeline to prevent damage during construction of the NCD inlet/outlet replacement project.
7. Maintain uninterrupted beneficial flow releases during construction of a new inlet/outlets works project.

Based on its own review of the EIR and other information and testimony received in connection with the Project, the City Council finds these objectives to be acceptable.

D. Project Description

The proposed project would consist of replacement of the existing aging Newell Creek Dam inlet/outlet works in new locations at the Loch Lomond Reservoir and other associated improvements. The Project is comprised of the following primary components:

- Three new inlets located within the Reservoir that would function to control and convey flows into and out of the Reservoir,
- A 14-foot maximum diameter tunnel containing 48-inch and 10-inch inlet/outlet pipelines through the right (west) abutment and under the dam,
- An outlet structure with valves and controls at the toe of the dam to convey flows into and out of the inlet/outlet pipelines; the structure would also provide for energy dissipation for water releases to the Newell Creek Pipeline or beneficial releases,
- A new control house on the dam crest to house controls for the inlets,
- A new dam seepage collection and monitoring system,
- Replacement of an approximate 2,000 linear-foot segment of the Newell Creek Pipeline between the existing outlet structure and the first isolation valve,
- Improvements along the dam's access roads to improve access for construction, including a new culvert crossing at the spillway plunge pool, and
- Decommissioning the existing inlet/outlet works once the replacement inlet/outlet system is operational.

The proposed Project would be constructed independently of the existing inlet/outlet works with minimal disruption to current water delivery operations. There are no proposed changes to existing operations at Newell Creek Dam and the Loch Lomond Reservoir.

Project onsite construction would take approximately 24 months and may begin as soon as spring of 2020. Eight sites adjacent to Newell Creek Dam and the reservoir, totaling approximately 15 acres, have been identified as potential construction staging areas. These areas may be used for storage of construction equipment and materials, as well as storage and/or permanent placement of excavated materials.

Major construction elements include grading to create an approximate 0.5-acre “construction platform” at the toe of the dam; excavation of a tunnel under the dam to house the inlet/outlet conduit; and subsurface dredging and installation of the new intakes in the Reservoir. A temporary boat launch facility would be installed near the intake construction area for equipment and materials during construction within the Reservoir. Grading and excavation of the construction platform and 14-foot diameter tunnel would result in approximately 22,600 cubic yards (cy) of spoils that would be permanently placed on site (at identified staging areas) or hauled off site to a suitable user or disposal site. Subsurface dredging would generate approximately 23,000 to 34,000 cubic yards of subsurface spoils to be disposed of within the reservoir thalweg.

III.

ENVIRONMENTAL REVIEW PROCESS

In accordance with section 15082 of the CEQA Guidelines, the City issued a Notice of Preparation (“NOP”) of an EIR on June 28, 2018. Pursuant to CEQA Guidelines sections 15023, subdivision (c), and 15087, subdivision (f), the State Clearinghouse in the Office of Planning and Research was responsible for distributing environmental documents to State agencies, departments, boards, and commissions for review and comment. The City followed required procedures with regard to distribution of the appropriate notices and environmental documents to the State Clearinghouse. The State Clearinghouse was obligated to make, and did make, that information available to interested agencies for review and comment. In addition, the NOP was circulated for a 30-day review period on June 28, 2018 to local, regional, and federal agencies; organizations and interested citizens that have requested notification in the past; and to owners of property contiguous to the Project site in accordance with noticing requirements in the City’s CEQA Guidelines. Additionally, two EIR Scoping Meetings were held on July 19, 2019 and July 19, 2019 to receive comments regarding the scope of issues to be addressed in the EIR. The NOP and all comments received on the NOP are presented in Appendix A of the Final EIR. (FEIR, p. 2-4.)

The DEIR includes an analysis of the following issue areas:

- Air Quality and Greenhouse Gas Emissions
- Biological Resources
- Cultural and Tribal Cultural Resources
- Forest Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise

- Transportation and Traffic
- Land Use
- CEQA-required Sections: Significant Unavoidable Impacts; Significant Irreversible Changes; Growth Inducement; Cumulative Impacts; and Alternatives

On November 7, 2018, the City released the DEIR to the State Clearinghouse, local and regional public agencies, and other interested organizations and individuals for a 45-day public review period that ended on December 21, 2018. A Notice of Availability of the Draft EIR was sent to neighboring property owners. Additionally, two public meeting were held during the public review period on December 11 and December 13, 2018 to inform the public about the proposed project and to solicit comments on the Draft EIR. The Draft EIR was available for public review during normal business hours during the comment period at the Water Department's office and at the Downtown and Felton Branch Public Libraries. The DEIR also was available on the City's website at: <http://www.cityofsantacruz.com/government/city-departments/water/online-reports/environmental-documents>. (DEIR, pp. 2-5 - 2-6.)

IV. **RECORD OF PROCEEDINGS**

In accordance with Public Resources Code section 21167.6, subdivision (e), the record of proceedings for the City's decision on the Project includes the following documents:

- The NOP (June 2018), including related comments from agencies, organizations and individuals, and all other public notices issued by the City in conjunction with the Project;
- The Draft EIR for the Project (November 2018) and all appendices, as well as all documents cited or referenced therein;
- The Final EIR for the Project (April 2019) and all appendices, as well as all documents cited or referenced therein;
- Any minutes and/or verbatim transcripts of all information sessions, public meetings, and public hearings held by the City in connection with the Project;
- Any documentary or other evidence submitted to the City at such information sessions, public meetings, and public hearings;
- Any and all resolutions adopted by the City regarding the Project, and all staff reports, analyses, and summaries related to the adoption of those resolutions;
- Matters of common knowledge to the City, including, but not limited to federal, state, and local laws and regulations;

- Any documents expressly cited in the DEIR and FEIR, and these findings, in addition to those cited above; and
- Any other materials required for the record of proceedings by Public Resources Code section 21167.6, subdivision (e).

The City Council has relied on all of the documents listed above in reaching its decision on the Project, even if not every document was formally presented to the City Council or City Staff as part of the City files generated in connection with the Project

The documents constituting the record of proceedings are available for review by responsible agencies and interested members of the public during normal business hours at the City of Santa Cruz Water Department, 212 Locust Street, Suite C, Santa Cruz, California 95060.

V. **FINDINGS REQUIRED UNDER CEQA**

Public Resources Code section 21002 provides that “public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects[.]” The California Supreme Court has referred to this statutory command as the “substantive mandate” of CEQA. (See *Mountain Lion Foundation v. Fish & Game Commission* (1997) 16 Cal.4th 105, 134.) The same statute provides that the procedures required by CEQA “are intended to assist public agencies in systematically identifying both the significant effects of projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects.”

The mandate and principles announced in Public Resources Code section 21002 are implemented, in part, through the requirement that agencies must adopt findings before approving projects for which EIRs are required. For each significant environmental effect identified in an EIR for a project, the approving agency must adopt a written finding reaching one or more of three permissible conclusions. The first such finding is that changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. The second permissible finding is that such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency. The third potential conclusion is that specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR. (CEQA Guidelines, § 15091, subd. (a).)

As used in these findings, the term “avoid” refers to the effectiveness of one or more mitigation measures to reduce an otherwise significant effect to a less than significant level. In contrast, the term “substantially lessen” is understood to refer to the effectiveness of such measure or measures to substantially reduce the severity of a significant effect, but not to reduce that effect to a less than significant level. Because, as shown below, there are no instances in which

mitigation measures do not fully avoid otherwise significant effects, however, the term “substantially lessen” is not used below.

Because all of the significant impacts identified in the EIR can be fully avoided (i.e., rendered less than significant) through the adoption of feasible mitigation measures, the City has satisfied CEQA’s substantive mandate without any need to consider the feasibility of alternatives. (See *Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515, 521.)

Nor is there any need for the City Council to adopt a statement of overriding considerations pursuant to CEQA Guidelines section 15093. Such a statement, which identifies project benefits that “override” any significant unavoidable environmental effects of a project, need only be adopted where, indeed, there are significant unavoidable effects. Here there are none.

VI. **MITIGATION MONITORING AND REPORTING PROGRAM**

A Mitigation Monitoring and Reporting Program (Exhibit B) has been prepared for the project, and will be approved by the City Council by the same Resolution that adopts these findings. The City will use the Mitigation Monitoring and Reporting Program to track compliance with project mitigation measures and Project-proposed Best Management Practices (BMPs). The Mitigation Monitoring and Reporting Program will remain available for public review during the compliance period.

VII. **SIGNIFICANT EFFECTS AND MITIGATION MEASURES**

The Final EIR identified significant environmental effects (or impacts) resulting from construction of the Project. All impacts can be avoided or reduced to a less-than-significant level by the adoption of feasible mitigation measures.

The City’s findings with respect to the project’s significant effects and mitigation measures are set forth below for each significant impact. The following statement of findings does not attempt to describe the full analysis of each environmental impact contained in the EIR. Instead, it provides a summary description of each impact, describes the applicable mitigation measures identified in the Final EIR and adopted by the City, and states the City’s findings on the significance of each impact after imposition of the adopted mitigation measures, accompanied by a brief explanation. Full explanations of these environmental findings and conclusions can be found in the Final EIR. These findings hereby incorporate by reference the discussion and analysis in those documents supporting the Final EIR’s determinations regarding mitigation measures and the project’s impacts and mitigation measures designed to address those impacts. In making these findings, the City Council ratifies, adopts, and incorporates into these findings the analysis and explanation in the Final EIR and ratifies, adopts, and incorporates in these findings the determinations and conclusions of the Final EIR relating to environmental impacts

and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings.

Significant Impacts That Can Be Mitigated to a Less-Than-Significant Level

A. Biological Resources

Impact BIO-1A: Special-status Species – Federally-listed Species. The Project could result in direct impacts to federally-listed steelhead, if any individuals are present, and indirect impacts to habitat for steelhead and federally- and state-listed coho salmon species.

Construction of the Project improvements could result in direct impacts to steelhead if present, in the upper reach of Newell Creek, but would not result in direct impacts to coho salmon, a federally- and state-listed endangered species because they are not expected to occur within the study area. Installation of a portion of the replaced segment of the NCP and a culvert bridge crossing at the spillway plunge pool would cross an approximately 65-foot segment of Newell Creek, which is designated critical habitat for steelhead and coho salmon. The spillway plunge pool and the downstream segment of Newell Creek would be dewatered and diverted during construction of the bridge crossing and NCP. If steelhead are present in either Newell Creek or the spillway plunge pool, dewatering and rescue and relocation activities would be required. While highly unlikely, individual fish could be injured or killed during the rescue and relocation process.

Construction activities could also result in indirect impacts to downstream water quality and habitat due to potential erosion and sedimentation into the creek from construction in and adjacent to Newell, water quality impacts due to other construction materials potentially entering the creek, and potential discharge into Newell Creek of “dewatered” groundwater captured and treated from the tunnel excavation. Such water quality effects could result in indirect adverse impacts to coho salmon and steelhead or degradation of suitable spawning and rearing habitat for these species in the lower reaches of Newell Creek.

The Project includes 22 Best Management Practices (BMPs) to avoid construction-related erosion, sedimentation, and water quality impacts to Newell Creek and indirect impacts to listed fish (BMP # 2-5, 8-17, 20-27). (FEIR p. 3-27 – 3-31.)

Mitigation Measures. Implementation of proposed Project Best Management Practices (BMPs) to protect water quality and stream habitat and Mitigation Measures BIO-1A-1 would prevent or minimize indirect impacts to Newell Creek habitat, and implementation of Mitigation Measure BIO-1A-2 would avoid direct impacts to steelhead if present during dewatering and construction in the creek channel. These measures would reduce the impact to a less-than-significant level.

Mitigation BIO-1A-1. All in-stream construction activities shall be limited to the low-flow period between June 15 through November 1, except by extension approved by CDFW and NOAA Fisheries.

Mitigation BIO-1A-2. If native fish or native aquatic vertebrates are present when cofferdams, water bypass structures, and silt barriers are to be installed, a native fish and aquatic vertebrate rescue and relocation plan shall be prepared, approved by CDFW and NOAA Fisheries, and implemented by a qualified biologist during dewatering of the spillway plunge pool and Newell Creek to ensure that significant numbers of native fish and aquatic vertebrates are not stranded.

FINDING: The potentially significant impact of the Project on federally-listed species can be mitigated to a less-than-significant level by the imposition of Mitigation Measures BIO-1A-1 and BIO-1A-2, which have been required or incorporated into the Project. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact BIO-1B: Special-Status Species – State-Listed Species. The Project could result in impacts to foothill yellow-legged frog, a candidate for state listing, if any individuals are present at the construction sites.

The foothill yellow-legged frog is not expected to breed or regularly occur within the study area due to the lack of suitable aquatic habitat for breeding and absence of other habitat characteristics that this species requires, although one individual was observed onsite during site surveys. Dispersing individuals could temporarily occur within suitable refugia habitat along Newell Creek and aquatic areas within the study area. Construction activities in these areas could result in adverse impacts on individuals of this species, if any are present during Project construction.

Mitigation Measures. Implementation of Mitigation Measure BIO-1B would reduce the impact to a less-than-significant level. The City will conduct seasonal surveys over a one-year period in accordance with California Department of Fish and Wildlife (CDFW) guidelines to further determine whether the species is present in the study area. Impacts would be avoided through pre-construction surveys to ensure that no individuals are present in the construction area.

Mitigation BIO-1B-1.

Seasonal surveys based on guidance provided by the CDFW, including survey methods outlined in CDFW's "Considerations for Conserving the Foothill Yellow-Legged Frog." (May 2018) shall be initiated at least one year prior to construction.

Not more than 48 hours prior to commencement of construction activities occurring between March 1 and September 30 in or adjacent to Newell Creek associated with the installation of the NCP, new culvert bridge crossing

downstream of the spillway plunge pool, and establishment of the construction platform work area at the toe of NCD, a qualified biologist, or trained designee (as approved by CDFW), shall conduct a pre-construction survey for foothill yellow-legged frog. The survey shall be conducted within suitable habitat that could be directly or indirectly impacted by construction activities associated with the Project components and at the locations described above. The surveys shall be conducted pursuant to currently accepted methods/protocols for this species as determined by CDFW.

If no individual foothill yellow-legged frogs are observed during the pre-construction surveys, monitoring and inspection of suitable habitat shall occur, unless otherwise approved by CDFW, each day during construction activities implemented during March 1 – September 30, to ensure that no individual foothill yellow-legged frogs have moved into the work areas in the time since the focused pre-construction survey was completed.

If foothill yellow-legged frogs are detected during the pre-construction survey or during the monitoring and inspections during construction, CDFW shall be consulted to determine the appropriate course of action to avoid take of the species. Such actions could include avoidance of the occupied area until it is determined that the individual is no longer present in the habitat area to be disturbed; establishment of exclusion fencing or similar measures; increased frequency or duration of inspections and monitoring; and/or relocation of any individual frogs that could be adversely affected by the Project.

FINDING: The potentially significant impact of the Project on a candidate species for state listing can be mitigated to a less-than-significant level by the imposition of Mitigation BIO-1B-1, which has been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact BIO-1C: Special-status Species – State Species of Special Concern. The Project could result in impacts to animals that are identified as state Species of Special Concern that could be present at the sites during construction.

Construction of some Project components could result in impacts to habitat or individual animals identified as State Species of Special Concern that are known to occur or have potential to occur on or adjacent to the Project study area, if any are present in the construction area.

Western Pond Turtle. Construction activities in Loch Lomond Reservoir, establishment of staging areas and improvements to access roads adjacent to the Reservoir, and installation of the new NCP and culvert bridge crossing, could result in direct impacts through injury or harm to individual Western pond turtles, eggs or nests. However, because pond turtles are secretive and averse to human activity and disturbance, it is

anticipated that any individual pond turtles that are present in the vicinity of the in Reservoir work area will move out of and away from the work area to other undisturbed portions of the reservoir as work activities are initiated.

Santa Cruz Black Salamander and California Giant Salamander. Ground disturbing activities in damp upland areas near Newell Creek and aquatic areas at the base of NCD could result in impacts to individuals of this species if present and could impact habitat for the California giant salamander. The following Project components could have effects on individuals or habitat for these species: the establishment of the construction platform at the base of NCD; installation of the new NCP across Newell Creek; and construction of the culvert bridge crossing downstream of the spillway plunge pool.

San Francisco Dusky-Footed Woodrat. Construction activities that involve ground disturbance or removal of vegetation, especially those activities necessary for establishment of Project work areas and staging areas, could result in impacts to San Francisco dusky-footed woodrat if present.

Special-Status Bat Species. The potential for pallid bat and Townsend's big-eared bat to breed and/or roost within the study area is considered low based on the general lack of suitable roosting habitat. Direct impacts on active maternity roosts or on daytime roost sites that would result in direct harm/injury to roosting bats would be considered potentially significant under CEQA.

Mitigation Measures. Impacts would be avoided with installation of exclusion fencing at specified construction sites to prevent animals from entering construction areas (Mitigation BIO-1C-1) and pre-construction surveys and relocation of individuals, if found or delaying construction until individuals are not present for some species (Mitigation BIO-1C-2-6). Therefore, implementation of Mitigation Measures BIO-1C-1 through BIO-1C-6 would reduce the impact to a less-than-significant level.

Mitigation BIO-1C-1. Due to the presence of suitable aquatic and upland habitats for Western pond turtle, Santa Cruz black salamander, and California giant salamander in the Project construction footprint, wildlife exclusion fencing shall be installed to: (1) prevent individuals of these species from accessing the active work and staging areas; and (2) define the boundary of and protect all suitable aquatic and upland habitat areas that will not be directly affected by construction activities. The wildlife exclusion fencing will be established between the identified construction areas and upland and aquatic habitats to be avoided.

The specific locations and placement of fencing will be determined by the City in coordination with a qualified biologist and will be based on the extent of proposed construction activities and field conditions at each work area. The fencing alignment and work areas enclosed by the fencing shall be thoroughly inspected by a qualified biologist prior to installation by searching under rocks, logs, leaf litter, etc. to find and relocate any individuals of these species in the area. Following completion of fencing installation, the fence alignment will be

inspected once daily for the duration of construction activities by a qualified biologist, or trained designee (as approved by CDFW), to confirm the integrity and function of the fencing and ensure wildlife are not becoming entrapped in the fencing.

Mitigation BIO-1C-2. Western Pond Turtle. Not more than five days prior to the commencement of construction activities in Loch Lomond Reservoir and any ground disturbing activities associated with establishment of Staging Areas 1 and 7, the access road to these staging areas, construction platform at the toe of NCD, and associated work areas in or adjacent to Newell Creek and spillway plunge pool, a qualified biologist shall conduct a focused survey for Western pond turtle, its nests, and/or eggs within these work areas and within 50 feet of the construction/ground disturbance footprint. If no Western pond turtles are observed, construction activities may begin without the need for further surveys or protection measures. If Western pond turtles are observed, then a qualified biologist shall capture the turtles and translocate them to an area of equally suitable habitat away from the construction footprint. Approval from CDFW would be required prior to handling/translocating individuals of this species.

If occupied nests are observed during the pond turtle nesting season (March – July), the nests will be marked and fenced with exclusion fencing in such a manner that emerging young would not be able to move into areas where they could be crushed by vehicles or equipment. If nests cannot be avoided, construction activities within 50 feet of the identified nest location shall be delayed until the qualified biologist determines that the nests are no longer occupied.

Mitigation BIO-1C-3. Santa Cruz Black Salamander. Not more than 48 hours prior to initial ground disturbing activities, a pre-construction survey for Santa Cruz black salamander shall be conducted within all areas of Santa Cruz black salamander suitable habitat that will be directly or indirectly affected by Project construction activities and within 50 feet of such areas. Suitable habitat for this species in the study area consists of damp upland areas near/adjacent to existing aquatic features at the base of NCD including Newell Creek, the spillway plunge pool, seepage channel, ephemeral drainage, and seeps. Monitoring for this species shall also be conducted at least once daily during initial ground disturbing activities. If any individuals of Santa Cruz black salamander are observed during the pre-construction survey or subsequent monitoring, they shall be moved to the nearest appropriate habitat outside of the construction footprint by a qualified biologist. Approval from CDFW would be required prior to handling/translocating individuals of this species.

Mitigation BIO-1C-4. California Giant Salamander. Not more than 48 hours prior to initial ground disturbing activities, a pre-construction survey for California giant salamander shall be conducted within all areas of suitable habitat for this species (i.e., Newell Creek, the seepage channel, seeps and surrounding upland

areas associated with these aquatic features) that will be directly or indirectly affected by Project construction activities and within 50 feet of such areas. Monitoring for this species shall also be conducted at least once daily during initial ground disturbing activities. If any individuals of California giant salamander are observed during surveys, they shall be moved to the nearest appropriate habitat outside of the construction footprint by a qualified biologist. Approval from CDFW would be required prior to handling individuals of this species.

Mitigation BIO-1C-5. San Francisco Dusky-footed Woodrat. Not more than thirty (30) days prior to commencement of ground disturbing activities at each work area, a qualified biologist shall conduct a pre-construction survey to locate existing San Francisco dusky-footed woodrat nests. Any nests that are identified in the construction footprint or within 20 feet shall be photographed, mapped and flagged or fenced for avoidance. For the protection of San Francisco dusky-footed woodrat individuals that may be present in the construction footprint, complete avoidance of San Francisco dusky-footed woodrat middens/nests is recommended.

If avoidance of identified middens/nests is not feasible, the following measures are recommended prior to the commencement of ground disturbing activities to avoid and reduce impacts on San Francisco dusky-footed woodrat:

- a) After obtaining approval of the biologist qualifications from CDFW, a qualified biologist shall dismantle the nest by hand to allow for adult San Francisco dusky-footed woodrat individuals to escape (this work shall be conducted outside of the breeding season for this species which is April through June);
- b) If young are observed during the dismantling process, the qualified biologist shall stop work for a minimum of 24 hours to allow the adult woodrats to relocate their young;
- c) Once the nest is determined to be vacant, the dismantling process shall be completed and the nest materials shall be collected and moved to another suitable location nearby and outside of the construction footprint to allow for nest reconstruction; and
- d) Where feasible, piles of cut vegetation and slash generated by project clearing and grubbing activities shall be left outside of, but near the work area, to provide refuge for woodrats that may become displaced by project activities.

Mitigation BIO-1C-6. Special-status Bats. Not more than 15 days prior to the initiation of any construction activities that involve tree trimming or removal, including clearing and grubbing of work areas and staging areas, that could affect potential daytime or maternity roost sites, a focused visual survey shall be completed by a qualified biologist to determine if any potential roost sites are present. Surveys for daytime roosts are required year round while surveys for potential maternity roost sites are only required from April through July.

If active daytime roosts are discovered, disturbance to the roost site shall not occur until it is determined by the biologist that any bats using the roost are no longer present.

If active maternity roosts are discovered that could be directly impacted by tree trimming/removal and/or Project construction activities, an appropriate no disturbance buffer will be established by a qualified biologist in coordination with City staff and maintained until it is determined by the biologist that all young have fledged and are no longer dependent upon the roost site for survival. The no disturbance buffer distances will be a minimum of 25 feet, but this distance may be increased or decreased based on site specific conditions, including location and relationship of the roost site to the construction zone, and type of construction activities being conducted.

FINDING: The potentially significant impact of the Project on State Species of Special Concern can be mitigated to a less-than-significant level by the imposition of Mitigation Measures BIO-1C-1, BIO-1C-2, BIO-1C-3, BIO-1C-4, BIO-1C-5, and BIO-1C-6, which have been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact BIO-1D: Special-status Plant Species. Project construction and ground disturbance in proposed staging and work areas could result in impacts to special-status plant species if any are present.

One plant species, woodland woollythreads, a California Native Plant Society Listed 1B.2 plant, may be present in some staging areas. The species was not observed in any of the Project work areas or staging areas that were defined at the time of the reconnaissance-level spring field surveys conducted in April 2018, but may be present and potentially impacted in revised Staging Areas 5-7.

Mitigation Measures. Pre-construction surveys will be conducted during the flowering season to determine whether the species is present in the specified areas. If any plants are found, implementation of specified preservation restoration, enhancement and/or relocation measures as specified in Mitigation BIO-1D-1 would avoid impacts to this plant species. Therefore, implementation of Mitigation Measure BIO-1D-1 would reduce the impact to a less-than-significant level.

Mitigation BIO-1D-1. If ground disturbing activities will occur in Staging Areas 5-7 or are proposed outside of these or any of the other (previously surveyed) staging or work areas, protocol-level surveys shall be performed for woodland woollythreads plant species during the blooming period for this species which is typically March to July. If this species is not detected, no further surveys or mitigation would be necessary. If any individuals or populations of woodland

woolythreads are detected, the location(s) shall be mapped, and a mitigation plan shall be prepared and implemented that includes, but is not limited to, the following elements and criteria:

- a) A description of any areas of habitat occupied by special-status plants to be preserved and/or removed by the Project;
- b) Identification and evaluation of the suitability of on-site or off-site areas for preservation, restoration, enhancement or translocation;
- c) Analysis of species-specific requirements and considerations and specific criteria for success relative to the Project's impact on this species and restoration, enhancement or translocation.
- d) A description of proposed methods of preservation, restoration, enhancement, and/or translocation;
- e) A description of specific performance standards, including a required replacement ratio and minimum success standard of 1:1 for impacted individuals or populations;
- f) A monitoring and reporting program to ensure mitigation success; and
- g) A description of adaptive management and associated remedial measures to be implemented in the event that performance standards are not achieved.

FINDING: The potentially significant impact of the Project on special status plant species Concern can be mitigated to a less-than-significant level by the imposition of Mitigation Measure BIO-1D-1, which has been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact BIO-2: Sensitive Habitats. Project construction and ground disturbing activities in proposed staging and work areas could result in impacts to and loss of sensitive vegetation communities that are present in these areas.

Project construction activities could result in degradation and/or loss of sensitive vegetation communities, including red alder-bigleaf maple forest, bigleaf maple forest, and coast live oak-madrone woodland. Project construction would result in impacts to approximately 0.60 acre of sensitive vegetation communities with approximately 18,295 square feet (0.42 acre) of riparian vegetation removed.

Mitigation Measures. Mitigation BIO-2-1 would protect retained sensitive riparian vegetation, and implementation of a habitat restoration plan (Mitigation BIO-2-2) would mitigate impacts of removal of sensitive riparian habit as a result of construction. Therefore, implementation of Mitigation Measures BIO-2-1 and BIO-2-2 would reduce the impact to a less-than-significant level.

Mitigation BIO-2-1. When working in or adjacent to the active stream channel (i.e., construction of the culvert bridge crossing and NCP crossing), avoid disturbance

of retained riparian vegetation (Red alder-Bigleaf maple forest), to the maximum extent practicable.

Mitigation BIO-2-2. For unavoidable impacts to the Red alder-bigleaf maple forest (which constitutes the only riparian community in the study area), coast live oak-madrone woodland, and bigleaf maple forest communities, a project-specific revegetation and restoration plan shall be developed and implemented. The plan shall specify the criteria and standards by which the revegetation and restoration actions will compensate for impacts of the proposed Project on these communities and shall at a minimum include discussion of the following:

- a) the restoration objectives and type and amount of restoration to be implemented (in-kind at a minimum restoration to impact ratio of 1:1);
- b) the location of the proposed restoration site(s) (either on-site or within the San Lorenzo River watershed, if possible);
- c) the methods to be employed for restoration implementation;
- d) success criteria and a monitoring program to ensure vegetation community restoration success;
- e) adaptive management and remedial measures to be implemented in the event that performance standards are not achieved; and
- f) a mechanism for long term management and protection of the restoration area.

FINDING: The potentially significant impact of the Project on sensitive habitats can be mitigated to a less-than-significant level by the imposition of Mitigation Measures BIO-2-1 and BIO-2-2, which has been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact Bio-3: Jurisdictional Aquatic Resources. The Project could result in impacts to jurisdictional aquatic resources, including wetlands and non-wetland waters of the United States.

The proposed Project would result in impacts to Loch Lomond Reservoir, the seepage channel, two ephemeral drainages, a roadside swale, two seep wetlands, one seasonal wetland, and Newell Creek, all of which are considered potential jurisdictional waters of the U.S, totaling approximately 0.06 acre of impacts to wetlands and 1.52 acres of impacts to non-wetland waters of the U.S.

Mitigation Measures. Future Project design refinements developed for the final construction plans would endeavor to avoid jurisdictional wetlands (Mitigation BIO-3-1). Where resources can be avoided, a compensatory mitigation plan will be implemented to provide in-kind replacement of impacted habitat (Mitigation BIO-3-2). Protected aquatic resources will be avoided through establishment of protective fencing at construction sites to prevent damage to protected resources. Therefore, implementation of Mitigation

Measures BIO-3-1, BIO-3-2 and BIO-3-3 would reduce the impact to a less-than-significant level.

Mitigation BIO-3-1. Future refinements to the proposed Project (i.e, as Project components are further developed from the 50% design level to 100% design) shall endeavor to avoid jurisdictional aquatic resources, to the extent practicable, through Project design changes or implementation of alternative construction methodologies.

Mitigation BIO-3-2. For unavoidable impacts to jurisdictional aquatic resources, a project-specific mitigation plan shall be developed, approved by the ACOE and RWQCB through their respective regulatory permitting processes, and implemented. The mitigation plan shall specify the criteria and standards by which the mitigation will compensate for impacts of the proposed Project and include discussion of the following:

- a) the mitigation objectives and type and amount of mitigation to be implemented (in-kind mitigation at a minimum mitigation ratio of 1:1);
- b) the location of the proposed mitigation site(s) (within the San Lorenzo River watershed, if possible);
- c) the methods to be employed for mitigation implementation (wetland establishment, re-establishment, enhancement, preservation);
- d) success criteria and a monitoring program to ensure mitigation success;
- e) adaptive management and remedial measures in the event that performance standards are not achieved; and
- f) a mechanism for long term management and protection of the mitigation area.

Mitigation BIO-3-3. Where feasible and appropriate, all jurisdictional aquatic resources not directly affected by construction activities will be avoided and protected by establishing staking, flagging or fencing between the identified construction areas and aquatic resources to be avoided/preserved.

FINDING: The potentially significant impact of the Project on jurisdictional wetlands and waters of the U.S. can be mitigated to a less-than-significant level by the imposition of Mitigation Measures BIO-3-1, BIO-3-2 and BIO-3-3, which have been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact Bio-4: Nesting Birds. The Project could result in impacts to nesting birds if vegetation removal and/or construction activities occur during the nesting season.

The Project has the potential to impact nesting birds if construction activities, including tree removal and ground disturbance, occur during the nesting season and nesting birds are present. All native birds and common raptors, in California are protected by the federal Migratory Bird Treaty Act (MBTA), and provisions of the California Fish and

Game Code. Section 3503.5 of the California Fish and Game Code specifically protects raptors. Ground disturbance or vegetation removal that would result in destruction of active bird nests or disruption of breeding/nesting activity could be a violation of the MBTA and/or California Fish and Game Code.

Mitigation Measures. Pre-construction surveys during the nesting season would be conducted, and if nesting birds are identified, appropriate construction buffers would be established as specified in the mitigation measures or avoidance of construction to prevent disturbance to nesting birds. Implementation of Mitigation Measures Bio-4-1 and BIO-4-2 will mitigate potential impacts of future development on biological resources (nesting birds) to a less-than-significant level.

Mitigation Bio-4-1. If ground disturbing activities are to commence during the nesting season (February 1 – August 31), no more than two weeks prior to any ground disturbing activities, including site preparation, staging, removal of vegetation, and clearing and grubbing activities, a nesting bird survey shall be completed by a qualified biologist to determine if any native birds are nesting in or adjacent to the study area (including within a 50-foot buffer for passerine species and a 250-foot buffer for raptors). If any active nests of native birds are observed during surveys, a suitable avoidance buffer from the nests should be determined by a qualified biologist in coordination with City staff, based on species, location, and extent and type of planned construction activity. Impacts to active nests shall be avoided until the chicks have fledged and the nests are no longer active, as determined by the qualified biologist.

Mitigation Bio-4-2. Bald Eagle Pre-construction Nest Survey. A focused nest survey shall be conducted by a qualified biologist if construction activities are initiated during the nesting season for bald eagle (February—July for this species in California). The survey shall be conducted not more than 30 days prior to the initiation of construction activities including tree removal, other site preparation or ground disturbing activities adjacent to the Reservoir (e.g., clearing and grubbing/grading for establishment of staging areas), or any in-reservoir work, a focused nest survey shall be conducted by a qualified biologist. Surveys shall be conducted within all suitable nest habitat within the study area and within one half mile (or as otherwise determined appropriate by the qualified biologist) of the study area. If an active nest is located, the biologist, in coordination with City staff, shall determine the level of direct/indirect impacts that would likely occur to the nest and tree if construction activity will occur during the nesting season. The determination shall be made taking into consideration the type/extent of the activity, the location of the nest, and the direct line of sight of the activity from the nest. If no-disturbance buffers are determined to be necessary to protect nesting bald eagles, the buffer distances shall be established based on application of the criteria and standards described in the National Bald Eagle Management Guidelines (USFWS 2007).

If it is determined that no direct impacts to an active nest will occur (i.e., the tree would not be removed, trimmed, etc.), measures to mitigate indirect impacts will be taken depending on if there is visual line of sight to the construction activity

- a) If the tree with an active nest is within a visual line of sight of construction activity, then efforts will be made to conduct the construction activity outside the period when the nest is occupied, as determined by the biologist. Construction can begin/continue once it is determined that any young have fledged from the nest and are no longer dependent upon the nest for survival.
- b) If the tree with an active nest is outside the direct line of site from the construction area, but construction will occur during the period of time the nest is active, an appropriate no disturbance buffer, taking into consideration factors such as the type/extent of the activity, the age of any young in the nest, tree cover, and topography, shall be established and maintained, until any young have fledged from the nest and are no longer dependent upon the nest for survival.
- c) If it is determined that a tree with an active bald eagle nest will be directly impacted (i.e., removed, trimmed, etc.) or that indirect impacts could result in take (e.g., nest abandonment, nest failure) of eggs or young in the nest, then the CDFW shall be consulted regarding the need for an Incidental Take Permit pursuant to Section 2081 of the California Fish and Game Code, and the United States Fish and Wildlife Service shall be consulted to determine the need for a take permit pursuant to the Bald and Golden Eagle Protection Act.

FINDING: The potentially significant impact of the Project on nesting birds can be mitigated to a less-than-significant level by the imposition of Mitigation Measures BIO-4-1 and BIO-4-2, which has been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

Impact Bio-8: In-Reservoir Fish and Water Quality. The Project could result in impacts to existing non-native game fish due to adverse effects on water quality from in-reservoir construction activities.

The proposed Project would not cause a fish or wildlife population to drop below self-sustaining levels. Fish habitat would not be altered in a way that would appreciably reduce existing fish habitat or degrade conditions in Loch Lomond Reservoir or in Newell Creek. Some of the proposed work may have the potential to result in water quality impacts to fish habitat, but Project BMPs and mitigation measures will be implemented to reduce these impacts to less-than-significant levels. Loch Lomond Reservoir supports a warm water fishery primarily composed of introduced game species. Dredging and excavation within the Reservoir would result in disturbance to and movement of sediments at the bottom of the Reservoir to establish the new intake foundations. This work would result in localized increased turbidity levels in the areas being dredged and locations where dredged materials would be deposited. Elevated levels of arsenic, cadmium and nickel could be re-suspended in the water during dredging.

The use of silt screens during dredging and disposal would isolate the work area and prevent impacts to species in the Reservoir. The reservoir supports a variety of non-native game fish, but does not support any anadromous salmonids or other state or federally-protected fish species. It is anticipated that silt screens would be needed to mitigate impact to water quality. The initial launch of the barge or other boats from the LLRA could introduce invasive aquatic species from boat surfaces into the Reservoir. However, the Project plans include a Construction Specification that requires decontamination of any vessels, equipment and tools prior to entering the water, which is also included as a Project BMP, which would prevent introduction of invasive species into the Reservoir.

The planned use of silt curtains (Project BMP 7) would prevent increased turbidity to areas outside the contained area, thus protecting the City's existing intakes and fish in the Reservoir during construction and preventing turbidity in downstream beneficial releases.

Mitigation Measures. Project Best Management Practice (BMP 7) requires use of silt screens to contain the Reservoir construction area to protect water quality. Mitigation Measure BIO-8-1 would protect the fishery resources and water quality in the Reservoir through monitoring of water quality during construction and taking corrective actions if needed. Therefore, implementation of Mitigation Measure BIO-8-1 would reduce impacts to a less-than-significant level.

Mitigation BIO-8-1. A Turbidity Monitoring Plan (Plan) shall be developed, submitted to RWQCB for review and approval, and implemented to guide appropriate management practices and corrective actions to ensure elevated turbidity levels in Loch Lomond Reservoir do not occur. This Plan would protect water quality in Loch Lomond Reservoir and ensure turbid water and/or water with elevated levels of contaminants are not released into Newell Creek via the continuous 1 CFS beneficial release. The Plan will describe the sampling methods, frequency, and criteria as well as thresholds for corrective action. The Plan will also specify a program for monitoring and reporting to the Central Coast RWQCB.

FINDING: The potentially significant impact of the Project on fish species in Loch Lomond Reservoir can be mitigated to a less-than-significant level by the imposition of Mitigation Measures BIO-8-1, which has been required or incorporated into the Project. The City hereby directs that this mitigation measure be adopted. Changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect as identified in the final EIR.

B. Cultural Resources

Impact CUL-5: Paleontological Resources. Ground-disturbing activities during construction could result in damage to previously undiscovered, intact paleontological resources below the ground surface.

No paleontological resources were identified within the Project site, but there are records of paleontological resource discoveries near or within the Project area within the same geological formation that is present on the Project site. While the Project area has been heavily disturbed by development for the existing dam and related facilities, intact paleontological resources may be present below the original layer of fill material. Given the proximity of past fossil discoveries in the surrounding area and the potentially fossiliferous Miocene age sedimentary deposits mapped in this area (e.g., Monterey Formation), undisturbed portions of these geological units within the Project site would be considered highly sensitive for supporting paleontological resources. Ground-disturbing activities associated with construction of the proposed Project, such as grading, have the potential to destroy a unique paleontological resource or site. Without mitigation, the potential damage to paleontological resources during construction would be a potentially significant impact.

Mitigation Measures. A construction worker training and monitoring program would be implemented that sets forth actions to be undertaken in the event of discovery of paleontological resources during construction, and actions if a find is determined significant (Mitigation CUL-5-1). Therefore impacts would be avoided or minimized. Implementation of Mitigation Measure CUL-5-1 would reduce the impact to a less-than-significant level.

Mitigation CUL-5-1. Prior to commencement of any grading activity on-site, the City shall retain a qualified paleontologist to prepare a Paleontological Resources Impact Mitigation Program (PRIMP), consistent with the guidelines of the Society of Vertebrate Paleontology (SVP) (2010) that outlines requirements for: worker environmental awareness training; locations and timing of construction monitoring; procedures for discoveries treatment; and paleontological methods (including sediment sampling for microvertebrate fossils), reporting, and collections management.

The qualified paleontologist shall attend a preconstruction meeting to provide construction worker training regarding procedures in the event of discovery of paleontological resources during construction. Monitoring shall consist of onsite spot-checking once a week for five weeks during the excavation for the staging area, for two days during the first week of the tunnel excavation (to get a sense of the equipment operations), and several intermittent spot-checks thereafter. Monitoring of excavation shall consist of reviewing tunnel spoils but not entering the tunnel.

In the event that significant paleontological resources (e.g., fossils) are unearthed during grading, the paleontological monitor shall coordinate with the Construction Manager or City Staff to temporarily halt and/or divert grading activity within a 50-foot radius to examine the resource. If the find is significant, the City shall require treatment of the find in accordance with the recommendations of the paleontologist, which may include, but are not limited to, specimen recovery and

curation or thorough documentation. Once documentation and/or collection of the find is completed, grading may recommence in the area of the find.

FINDING: The potentially significant impact of the Project on paleontological resources can be mitigated to a less-than-significant level with imposition of Mitigation Measure CUL-5-1, which has been required or incorporated into the Project. The City therefore finds that changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect.

C. Forest Resources

Impact FOR-2: Loss or Conversion of Forest Land. The proposed Project would result in conversion of forest land.

Several Project components, including grading and site preparation work associated with establishment of the construction platform at the base of NCD and establishment of staging areas, would involve permanent tree removal in areas considered forest land. A total of 12.5 acres of forest land could be impacted by the proposed Project, but none of the trees are virgin, old-growth, or initial stage old-growth redwood trees. The estimated impact to forest lands assumes that all proposed staging areas would be cleared of vegetation to permit storage of construction equipment and materials and/or disposal of excavated spoils. Permanent conversion of forest lands would occur at the site of the proposed “construction platform” at Staging Area 4 and at Staging Areas 3 and 5, which are identified as potential spoils disposal sites. Additionally, proposed Project construction activities may result in physical damage to residual trees where they are located adjacent to construction activity, as well as increase the potential for pathogen spread through the use of tools and equipment.

Mitigation Measures. Replanting of trees in temporarily disturbed construction areas (Mitigation FOR-2-1) and implementation of management measures on retained forest lands in the amount equal to permanently impacted forest lands would mitigate for conversion of forest land as a result of construction activities. Measures to protect retained trees and minimize spread of pathogens (Mitigation FOR-2-3 and FOR-2-4) would prevent impacts to retained forest land. Therefore, implementation of Mitigation Measures FOR-2-1 through FOR-2-4 would reduce the impact to a less-than-significant level.

Mitigation FOR-2-1. Replant trees where removed in temporarily disturbed areas resulting from Project construction where planting would meet forest management or habitat enhancement goals and recommendations identified in the City’s Draft Watershed Lands Management Plan (City of Santa Cruz, 2013) or the Watershed Resources Management Plan Planning Analysis and Recommendations Report (Swanson et al., 2002).

Mitigation FOR-2-2. Implement forest management measures on retained forest land consistent with City’s Draft Watershed Management Plan (City of Santa

Cruz, 2013). Management acreage should equal the total of permanently impacted forest land. Management may include:

- Recruitment of snags or other elements to facilitate the development of late-seral forest conditions.
- Removal of dead, dying, diseased, or hazardous trees.
- Management of fuel loads (e.g., fuel breaks, treatment of ladder fuels) to minimize the threat of catastrophic wildfire.
- Treatment and/or removal of invasive species, notably French broom.

Mitigation FOR-2-3. Implement measures to protect retained trees/stands from construction damage. This would be based a project-specific Tree Protection Plan to be prepared by an International Society of Arboriculture (ISA) Certified Arborist or Registered Professional Forester (RPF). The intent of the Plan is to minimize the potential for tree damage or mortality caused by construction-related activity. The Plan will address retained trees/stands adjacent to areas where soil disturbance is proposed and where tools or equipment have the potential for damaging tree roots and canopies. The Plan will include specific protection measures for the root zone, bole, and canopies of retained trees. The Plan will be consistent with ANSI A300 standards (ANSI 2012) for management and protection of trees during site development and construction activities and should include a construction monitoring and reporting component.

Mitigation FOR-2-4. Implement measures to minimize the potential for pathogen spread. Sanitize tools and equipment used in vegetation clearing (including tree removal) operations. If soil is collected on equipment, rinse equipment on site with a portable water tank or water truck, or at a designated rinsing station, to remove soil-borne pathogens and prevent transport to new sites. Implement additional prevention methods for SOD (University of California, 2010, COMTF, 2014) and pitch canker (University of California, 2013). Inspect loads of logs and equipment leaving the site to ensure that no host material is being transported without a permit (if material is being transported to a location outside the SOD Regulated Area). If importing vegetative material for restoration purposes, ensure that material that has been produced in conformance with the latest horticultural standards in pest and disease avoidance and sanitation.

FINDING: The potentially significant impact of the Project on forest resources can be mitigated to a less-than-significant level with imposition of Mitigation Measures FOR-2-1, FOR-2-2, FOR-2-3, and FOR-2-4, which have been required or incorporated into the Project. The City therefore finds that changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect.

D. Hazards and Hazardous Materials

Impact HAZ-1B: Disposal of Hazardous Waste. Project construction would potentially generate bedrock/soil spoils with metals concentrations in excess of disposal standards for a Class III landfill.

Grading and excavation of the construction platform and tunnel would result in approximately 22,600 cubic yards (cy) of spoils. Excavated spoils would be temporarily stored at identified staging areas and some is expected to be reused on site. Any remaining material would be hauled off site to a suitable user or permanent disposal site. Bedrock materials in the area contain elevated, naturally occurring metals concentrations, and one of the two samples tested at the Project site contained cadmium concentrations in excess of initial screening levels for California hazardous waste. Because the cadmium concentrations in soil are naturally occurring, it is anticipated that the Santa Cruz County Environmental Health Services (the local CUPA) would allow the soil to be permanently reused at the Project site. Offsite disposal of excavated bedrock spoils with potentially elevated metals concentrations, such as cadmium, could result in adverse impacts to both the environment and disposal site personnel that would be mitigated with testing for hazardous materials prior to disposal.

Mitigation Measures. Mitigation measures require that excavated spoils be tested prior to off-site disposal in accordance with regulatory requirements. Implementation of Mitigation Measures HAZ-1B-1 and HAZ-1B-2 would reduce the impact to a less-than-significant level.

Mitigation HAZ-1B-1. The City Water Department shall require testing of representative bedrock/soil spoil samples, to be exported offsite, in accordance with the acceptance criteria of the anticipated disposal facility.

Mitigation HAZ-1B-2. In the event that offsite disposal of spoils would occur at construction projects in the area, the City shall require testing of representative bedrock/soil spoil samples, to be exported offsite, in accordance with regulatory criteria with respect to reuse on other properties located off the project site.

FINDING: The potentially significant impact of the Project regarding disposal of hazardous materials can be mitigated to a less-than-significant level with imposition of Mitigation Measures HAZ-1B-1 and HAZ-1B-2, which have been required or incorporated into the Project. The City therefore finds that changes or alterations have been required in, or incorporated into, the Project that avoids the significant environmental effect.

Impact HAZ-2A: Upset and Release of Hazardous Waste. Project construction would potentially result in accidental spills of petroleum products and hazardous materials.

Project-related construction equipment would require periodic maintenance and fueling, requiring use and storage of petroleum products. Although the probability is low, accidental spills or leaks of these fluids could directly enter the Reservoir and/or Newell Creek. The Project area would be required to obtain coverage under the Construction

General Permit, which pertains to pollution from grading and project construction. Coverage under the Construction General Permit requires a qualified individual (as defined by the State Water Resources Control Board [SWRCB]) to prepare a Stormwater Pollution Prevention Plan (SWPPP) to address the potential for construction-related activities to contribute to pollutants within the Project's receiving waterways. The Project include two BMPs (#11, 12) to prevent to contamination of water due to petroleum substances entering waterways.

Mitigation Measures. Implementation of proposed Project Best Management Practices (BMPs) to protect water quality and mitigation measures adds requirements to wash out equipment in designated areas (HAZ-2A-1) and inspection of equipment to prevent accidental spills (HAZ-2A-e). HAZ-2A-3 requires preparation of a spill contingency/containment plan. These measures would reduce the impact to a less-than-significant level.

Mitigation HAZ-2A-1. The City shall direct the contractor to wash out concrete trucks in a designated area, either on site or off site, where the material cannot run off into Loch Lomond Reservoir or Newell Creek. This area shall be specified on all applicable construction plans and be in place before any concrete is poured. The City shall direct the contractor to service construction vehicles in a manner that contains fluids, such as lubricants, within an impervious area to avoid spill-related water quality impacts.

Mitigation HAZ-2A-2. The City shall direct the contractor to inspect and, as necessary, service all equipment before it enters the construction site and regularly thereafter, and before working adjacent to the Loch Lomond Reservoir and Newell Creek, to avoid equipment leak-related water quality impacts. The City shall direct the contractor to repair any leaks or hoses/fittings in poor condition before the equipment begins operating.

Mitigation HAZ-2A-3. The City shall direct the contractor to prepare a spill contingency/containment plan prior to equipment use on the Project site, including in-reservoir and on the ground construction. The City shall direct the contractor to follow the spill contingency/containment plan, which shall include, but not be limited to:

- a) Specific bermed equipment maintenance and refueling areas.
- b) Spill containment boom around the dredge.
- c) Bermed and lined hazardous materials storage areas on-site that are covered during the rainy season.
- d) Hazardous material spill cleanup equipment for onshore areas (e.g., absorbent pads, shovels, and bags to contain contaminated soil) and within the reservoir (e.g., skimmers, socks and boom, absorbent pads, dispersants).
- e) Workers trained in the location and use of cleanup equipment.

FINDING: The potentially significant impact of the Project related to potential release of hazardous materials can be mitigated to a less-than-significant level with imposition of Mitigation Measure CUL-5-1, which has been required or incorporated into the Project. The City therefore finds that changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect.

Impact HAZ-2B: Upset and Release of Hazardous Waste. Project construction would potentially result in health hazards to construction workers, due to exposure to metals in submerged Reservoir sediments, upland bedrock excavations, and upland excavation spoils.

Reservoir sediments sampled and analyzed in 2017, indicate elevated levels of arsenic, cadmium, and nickel. In addition, one rock core sample collected from a geotechnical boring along the proposed tunnel bore route contained cadmium concentrations in excess of initial screening levels for California hazardous waste. Dredging and excavation within the Reservoir would result in disturbance to and movement of sediments at the bottom of the Reservoir to establish the new intake foundations. This work would result in localized increased turbidity levels in the areas being dredged and locations where dredged materials would be deposited. Because sediments would remain wetted within the Reservoir, human health impacts from arsenic due to inhalation exposure would not be expected. However, in the event that sediments are handled when dry, construction personnel would be potentially exposed to elevated concentrations of metals. Similarly, excavations and grading completed in bedrock areas, including stockpiling of excess material, could potentially result in exposure of personnel to human health impacts associated with metals concentrations.

Mitigation Measures. Use of appropriate protective equipment by construction personnel would prevent exposure to hazardous materials. Implementation of the Mitigation Measure HAZ-2B-1 would reduce impacts to a *less-than-significant* level.

Mitigation HAZ-2B-1. The City shall direct the contractor to consult with an industrial hygienist to determine the appropriate level of personal protective equipment (PPE), if any, would be required for construction personnel during handling of Reservoir bottom sediments and participation in tunneling, excavating, stockpiling, and handling of on site bedrock and associated spoils. The contractor shall implement the recommendations by the industrial hygienist in order to minimize potential exposure of construction personnel to metals concentrations in bedrock/sediments during construction. All recommendations shall be completed in accordance with Occupational Safety and Health Administration (OSHA) Training Requirements (29 CFR 1910.132 and 1910.134, Subpart I – Personal Protective Equipment).

FINDING: The potentially significant impact of the Project on construction workers exposure to hazardous materials can be mitigated to a less-than-significant level with imposition of Mitigation Measure HAZ-2B-1, which has been required or incorporated

into the Project. The City therefore finds that changes or alterations have been required in, or incorporated into, the Project that avoid the significant environmental effect.

E. Hydrology and Water Quality

Impact HYDRO-4: Water Quality. Proposed dredging, tunneling, excavations, and grading would potentially violate water quality standards or waste discharge requirements or otherwise substantially degrade surface water quality due to potential erosion or inadvertent transport of construction debris or materials into Newell Creek or the Reservoir.

Tunnel construction and excavations for the tunnel portal, ground disturbance in the vicinity of the tunnel portal, temporary stockpiling of soil during tunnel boring activities, excavation and grading for the construction platform, and construction of the new outlet structure would result in exposure of soils to erosion and associated downstream sedimentation of Newell Creek, which is listed on the CWA 303(d) list of impaired water bodies for sedimentation. In addition, incidental spills of petroleum products (such as fuel, oil, grease, and solvents) into Newell Creek could occur during fueling and maintenance of the vehicles and equipment. Such spills could result in water quality degradation of Newell Creek. Impacts from construction-related activities would generally be short term and of limited duration. Requirements for construction activities within the Project area would be required to obtain coverage under the Construction General Permit, which pertains to pollution from grading and project construction. Coverage under the Construction General Permit requires preparation and implementation of a SWPPP to address the potential for construction-related activities to contribute to pollutants within the Project's receiving waterways. With the SWPPP and Project-proposed BMPs, impacts associated with new conduit tunnel and outlet structure construction would be less than significant.

Dredging within the Reservoir to install new intakes disposal of dredged materials in the Reservoir could result in violation of water quality standards and may exacerbate water quality problems in receiving waters already impaired by sediment. However, all dredging and spoils placement in the Reservoir would be performed within the confines of silt curtains to minimize temporary turbidity impacts to the Reservoir. Silt curtains would be necessary at both the excavation area and at the disposal site to contain the area of high turbidity and to maintain water quality elsewhere in the Reservoir, which would prevent significant water quality impacts.

The existing road to the toe of the dam is proposed for grading and resurfacing. An existing, unmaintained dirt road to Staging Areas 6 and 7 likely would require improvement to provide access to these sites, which could also result in erosion during construction and post-construction if improperly designed or maintained. Potential erosion from improved access roads could result in a potentially significant impact.

Mitigation Measures. The Project includes a BMP (#5) to limit use of dirt roads based on rainfall conditions with closure if needed to prevent excessive erosion. With property

design and construction of access roads (Mitigation HYDRO-4-1) and seasonal inspections of roads and drainage facilities (Mitigation HYDRO-4-2), potential impacts to water quality from access road erosion will be mitigated to a less-than-significant level.

Mitigation HYDRO-4-1. Develop and maintain construction access roads to minimize erosion and sediment generation in accordance with recommendations in the Draft Watershed Lands Management Plan, including, but not limited to:

- a) Install and maintain effective water bars and rolling drain dips.
- b) Maintain out-sloped roads wherever possible.
- c) Surface and/or resurface Project access roads with rock or other appropriate material to reduce erosion where road surface is visibly eroding and being transported off of the road, particularly where sediment can enter a watercourse.
- d) Reduce the use of inside ditches and culverts by installing rolling dips at appropriate intervals.

Mitigation HYDRO-4-2. Conduct field inspections of roads and drainage systems, including:

- a) Conduct field inspections prior to the rainy season, and during rainfall events greater than 2 inches, as needed.
- b) Clear road inlets, culverts, and other stream crossing structures of obstructions prior to and throughout the wet season.

FINDING: The potentially significant impact of the Project on erosion from construction and use of dirt access roads can be mitigated to a less-than-significant level with imposition of Mitigation Measures HYDRO-4-1 and HYDRO-4-2, which have been required or incorporated into the Project. The City therefore finds that changes or alterations have been required in, or incorporated into, the Project that avoids the significant environmental effect.

Holly Hossack

From: Stephanie Sakasai <stephanie@arobydesign.org>
Sent: Tuesday, May 14, 2019 1:50 PM
To: Board of Directors
Subject: FISH MONITORING ABSOLUTELY NECESSARY!!!

For 24 years this Valley has consistently valued the critical and necessary work of fish monitoring as we are a part of a crucial pathway for Steelhead and Coho salmon of the Greater Pacific North West. Still critically endangered regardless of the political positions of the day, our water ways are heavily polluted and aquatic life from the smallest nymph to the largest mature mating fish are in danger of extinction.

More now than ever before climate change is impacting our ability to not only thrive but to survive as a watershed community. SLVWD is a critical part of the leadership within the SLV and greater Santa Cruz community and once was considered a role model for environmental and education standards at the forefront of community stewardship.

I have lived in the San Lorenzo Valley for over 25 years and I am thankful and proud to be a community volunteer for people and the environment. I realize that economically most of our districts suffer from lack of funding. Yet our very survival depends on changing priorities; placing the survival of our environmental needs like fish monitoring above the fiscal norm.

Please make the right decision for the future generations of people and wildlife depend on it!

Stephanie Sakasai
ARO by Design
831-278-1305
stephanie@arobydesign.org

Dear Board of Directors,

It is highly advisable that the SLVWD Board Directors re-visits the 2019-2020 fish monitoring item, which is missing in the current budget draft.

The absence of steelhead monitoring funding raises the questions:

Was this an oversight?

Then re-instating the item into your budget is appreciated.

If no oversight occurred then why is the Board of Directors not acknowledging their part of the San Lorenzo River stewardship, which aims for a well-managed, healthy watershed?

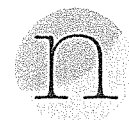
In consideration of the SLVWD benefitting from the San Lorenzo River presence, it would behoove the Board of Directors to assure that the river collaboration with the various agencies continues.

This requires that the 2019-2020 fish monitoring item gets put into the SLVWD budget.

Your position as environmental friendly San Lorenzo River stewards will be appreciate by the Community.

Thank you,

jane mio



ninamo design

May 14, 2019

SLV Water District Board of Directors
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Dear President Henry and Directors Fultz, Smallman, and Swan,

Citizens in Felton are concerned that current Draft Budget cuts disregard watershed protection and will impact our water supply.

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

The current Board claim to be environmental stewards. Yet they are disregarding the SLVWD Watershed Management Plan.¹ The health of our watershed is integral with its inhabitants. Humans, plants, animals, and geology all influence the health of the aquifers and watershed. **The Steelhead are a crucial litmus test of water quality, streamflow, and temperature.**

The SLVWD has funded juvenile steelhead and stream habitat data for 25 years without a gap. This information provides a window for checks & balances along water intakes throughout the San Lorenzo watershed including Boulder Creek, Fall Creek, and Zayante Creek.

Without this monitoring the helpful relationship with NMFS/NOAA and CA Fish & Wildlife will become divisive. That could result in restrictions, refusal of permits, hindrance to the interties, and a Habitat Conservation Plan.² Letters from National Marine Fisheries Service, and other water districts have urged SLVWD's continued Steelhead monitoring in conjunction with the Partner's Group. To allow a break in the data at such a critical time of Climate Crisis is unconscionable.

SLVWD customers need reminders to continue conserving water and the impact of over-consumption on streamflow for the fish. **The Water Conservation Program** proves that the District is committed to watershed management and restoring the Santa Margarita Aquifer.

Your campaign claimed that glyphosate was being *sprayed* in Olympia Watershed, yet in truth the broom was being *cut and dabbed* with minimal use of glyphosate. Without a plan to control the broom, your non-action is huge *a step backwards*. Invasive broom will take over the area, crowding out native plants and endangered species, and deplete the water table. What is the current board's plan?

SLVWD's environmental management should continue: The Water Conservation Program; The Steelhead Monitoring Program; Olympia Sand Hills Management; and the Zayante Creek restoration project.

Protecting our water supply means protecting the health of our watershed.

Nina Moore,
Felton, CA

¹ http://www.slvwd.com/_Watershed.htm

² https://www.westcoast.fisheries.noaa.gov/protected_species/salmon_steelhead/salmon_and_steelhead_listings/steelhead/steelhead_federal_register_notices.html

Holly Hossack

From: Barbara Hanson <barbara@barbaraltc.com>
Sent: Wednesday, May 15, 2019 9:32 PM
To: Board of Directors
Subject: Budget of the SLV Water District

Dear Board of Directors,

It is highly advisable that the SLVWD Board Directors re-visit the 2010-2020 fish monitoring item, which is missing in the current budget draft.

Is the absence of steelhead monitoring funding just an oversight?
If, so re-instating the item into your budget will be appreciated.

If no oversight occurred, then why is the Board of Directors not acknowledging their part of the San Lorenzo River stewardship, which aims for a well-managed, healthy watershed?

Since the SLVWD is benefitting from the water in the San Lorenzo River, it would behoove the Board of Directors to assure that the critical river collaboration with the various agencies continues.

This requires that the 2010-2020 fish monitoring item gets put back into the SLVWD budget.

Your leadership as environmentally friendly San Lorenzo River stewards will be much appreciated by the Community.

Thank you,

Barbara Hanson CLTC
#1595 Felton CA 95018-1595
831 335 4949

Barbara Hanson CLTC
Barbara@BarbaraLTC.com
#1595 Felton CA 95018-1595
831 335 4949
CA 0715625

Holly Hossack

From: Karen Holl <kholl@ucsc.edu>
Sent: Wednesday, May 15, 2019 9:42 PM
To: Board of Directors
Subject: cutting fish monitoring and invasive management in SLVWD budget

Dear SLV Water District Board Members,

I write you as a resident of Felton and somebody with over 20 years experience in the field of natural resource management to say that your proposed cuts to the fish monitoring program and land management at the Olympia Wellfield site are short-sighted and will ultimately end up costing the district more money.

It is well known in the resource management field that judicious monitoring actually saves money. The Water District is required to protect federally- and state-protected species. Identifying changes sooner rather than later helps to identify and correct problems early on that will become costly to fix later. The same is true for management of invasive species. If invasive species like French broom continue to spread into the rare sandhills habitat at Olympia Wellfield site, then it becomes more costly to remove it in the future and there are the unquantifiable costs of potentially losing the threatened and endangered species that inhabit this habitat.

Moreover, ceasing to participate in the county-wide fish monitoring program, runs the risk of deteriorating the relationships of the Water District with the regulatory agencies. It sends the message that the SLV Water District is not a responsible environmental steward and therefore needs to be held accountable to comply with environmental regulations by further agency requirements, which could cost a lot more. In short, the District loses credibility and trust.

I realize that the Board is working hard to balance the budget, but the cost of the fish monitoring program (\$25,000) and the land management at the Olympia Wellfield site (\$10,000), is a pittance compared to the many infrastructure projects that are planned, most of which run into the hundreds of thousands of dollars. Taking the short-sighted view of cutting the monitoring and management programs won't balance the budget and is likely to increase costs to customers in future years. Therefore, the small amounts that have been spent on these programs in recent years are fiscally justified and should not be cut.

Sincerely,

Karen Holl

Holly Hossack

From: Lea Watson <lea4wat@gmail.com>
Sent: Wednesday, May 15, 2019 10:41 PM
To: Board of Directors
Subject: Conservation Issues in current Draft Budget

Dear SLVWD Board Members,

I am writing with astonishment and dismay that that you are considering adopting the current draft budget, which removes funding for all conservation programs, the Steelhead Monitoring Program, management of the Olympia Sand Hills, and Environmental Education Programs. This thinking on your part is narrow minded, short-sighted, and lacks any sense of responsibility for the wellbeing of the valley - it's people and resources; and the responsibility you have for stewardship of the watershed.

For practical and scientific reasons for reinstating these programs, I refer you to the letters addressed to you regarding this issue from Nancy Macy and Jon Jankovitz. I urge you to continue supporting these programs, especially the steelhead monitoring program.

Thank you for your consideration of re-instating these programs. The well-being of the valley ecosystem depends on it, and the happiness and well-being of our community is directly tied to the health of this ecosystem.

Sincerely,
Lea Watson

--
Lea Watson
5590 Lincoln Way
Felton, CA 95018
1-831-234-8288 cell

Holly Hossack

From: Mary Anne Goldberg <mapmg2011@gmail.com>
Sent: Wednesday, May 15, 2019 10:10 AM
To: Board of Directors
Subject: letter in support of steelhead monitoring program

May 15, 2019

Board of Directors
San Lorenzo Valley Water District

Re: Funding for Steelhead Monitoring in the San Lorenzo River

To whom it may concern:

Given the recent report from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), what more needs to be said? Please reconsider your plan to defund the steelhead monitoring program and aquatic habitat study in the 2019-2020 budget. The following is an excerpt from un.org:

"The overwhelming evidence of the IPBES Global Assessment, from a wide range of different fields of knowledge, presents an ominous picture," said IPBES Chair, Sir Robert Watson. "The health of ecosystems on which we and all other species depend is deteriorating more rapidly than ever. We are eroding the very foundations of our economies, livelihoods, food security, health and quality of life worldwide."

"The Report also tells us that it is not too late to make a difference, but only if we start now at every level from local to global," he said.

Thank you for your continued support of the environment that sustains us all.

Sincerely,

Mary Anne Goldberg
835 Elkhorn Road
Royal Oaks, CA 95076

Holly Hossack

From: marilyn marzell <marilynmarzell2000@yahoo.com>
Sent: Wednesday, May 15, 2019 10:45 PM
To: Board of Directors
Subject: Please continue the fish monitoring program

Dear Water Board members:

I hope you will agree on the importance of fish monitoring as a vital marker of the health of the ecosystem of the river. With a history of strong environmental leadership, the SLVWD has a long history of prioritizing this crucial activity by keeping it in the water district budget. As we all know, the regulatory agencies expect this activity to continue. This draft budget does not include fish monitoring for the first time in 24 years. Many of you have indicated your support of a healthy aquatic ecosystem from which we draw our water. The steelhead monitoring should not be on the chopping block, Please do not disappoint the ratepayers or the regulatory agencies by this short sighted money saving mistake. We are counting on you to do the right thing for the watershed and be a force for environmental stewardship.

Sincerely,
Marilyn Marzell
5351 Plateau Drive
Felton, CA

Holly Hossack

From: Marc Shargel <marc@lumigenic.com>
Sent: Thursday, May 16, 2019 4:11 PM
To: Board of Directors
Subject: Comments on proposed budget for the coming year.

Dear President Henry and members of my District Water Board,

I am writing to express my disappointment in your neglect of what I understood as half of your campaign promises. The new members of the board promised to continue to supply high quality, safe drinking water to SLV while also continuing to maintain the high environmental standards our community values. You said you could do that at significant cost savings over your predecessors and pointed to wasteful spending on their part, tangential to the core missions of water supply and environmental protection. Your collective experience in private sector business suggested you'd be able to trim cost without cutting at the core of the district's mission, "Our mission is to provide our customers and all future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and, to ensure the fiscal vitality of the San Lorenzo Valley Water District."

In your recent actions and proposed budget, I see abdication of your responsibilities "to manage and protect the environmental health of the aquifers and watersheds" of the Valley we all share, in the service of saving money. While it is tempting to measure success in the only quantifiable commodities you handle, quality, potable water in CCF and money in dollars, we have no similar way to quantify your success as environmental stewards. So who's to say if the trade offs for money over environment are good or bad? Well, you've heard from NMFS and DFW urging you to continue funding steelhead monitoring. These are pretty clear indications that your present course is leading away from important projects to protect environmental quality. But I contend the ultimate judge of your decisions is me. As a voter and ratepayer, I think your actions are most properly evaluated by me and people like me who vote for you and pay the money you administer. And I for one, am not getting what we all voted for.

Please restore funding for steelhead monitoring to this year's budget.

Please restore funding for the complete environmental staff to this year's budget.

Please restore funding to maintain sand hills habitat to this year's budget.

Please restore funding for for the full array of community engagement and communication to this year's budget.

Please maintain funding for the San Lorenzo River Cleanup in this year's budget.

We voted for good and plentiful water and maintenance of our environmental values at a fair cost. Your elimination of environmental and community engagement programs that have small price tags is penny-wise and pound foolish. Five or ten years from now, you or your successors will have to allocate tens or hundreds of thousands of my money to restore the environmental degradation and community alienation you're willing to allow—in order to save just a few thousand now. I still want you to save my money everywhere you can. Please stay on the look-out for unnecessary expenses like bloated consultation fees and unproductive legal costs. You've misjudged the above as effective targets for fiscal savings, but you can fix that pretty easily.

Thank you for reading and acting upon my comments.

Sincerely Yours,

Rev. Marc Shargel
Felton, CA

Holly Hossack

From: Robin Brune <shaylaah@gmail.com>
Sent: Thursday, May 16, 2019 6:01 PM
To: Board of Directors
Cc: Shaylaah
Subject: Appropriate Monitoring of Steelhead Fish Populations (Draft 2019-2020 Budget) Final Email (prior sent in error)

Dear Board of Directors of the San Lorenzo Valley Water District:

The Mission Statement of the San Lorenzo Valley Water District, which is proudly displayed on your public web page, includes "to manage and protect the environmental health of the aquifers and watersheds." I am sure, as members of the Board of Directors, you are aware of your Mission Statement.

Yet I feel compelled to remind you of it in light of your draft budget which no longer includes the approximately \$25,000 a year devoted to the appropriate monitoring of steelhead fish populations in our watershed. The SLVWD has contributed to the monitoring program for over 25 years. As noted by Jon Jankovitz, District Fisheries Biologist, in his letter to the Board of April 17, 2019, this program is the "only long-term data on stream health and salmonids." Mr. Jankovitz asks the Board to continue "in good faith as partners in environmental health and fish recovery" with the California Department of Fish and Wildlife. As a member of your water district, I join in his request.

Mr. Jankovitz is joined by the well-respected federal agency, the National Oceanic and Atmospheric Administration (NOAA), whose representative, Dick Bulter, also wrote a letter to this Board, April 19, 2019 urging it to "reconsider and to continue the funding." NOAA suggests that failure to do so will significantly impair the SLVWD's obligation to comply with the Endangered Species Act. Mr. Butler writes, "We would be happy to discuss your ESA requirements and how appropriate monitoring programs play a role in compliance."

I am very concerned that in the zeal for fiscal conservation, the Board has overlooked environmental conservation, including its obligation to comply with the Endangered Species Act. The interests of fiscal conservation must be balanced with the Board's other obligations. I urge the Board to reconsider this budget item and return it to the 2019-2020 Budget.

Respectfully,

Robin Brune
Felton, California

As Director of the newly revived Redwood Mountain Faire, starting at Felton's Roaring Camp Railroad in 2010, I contacted the San Lorenzo Valley Water District Board of Directors about providing drinking water to our Faire guests on those hot summer days. (I imagined lots of happy, laughing kids running around on the grass and having the time of their lives, thirsty from all that fun activity.) Well, the Water District folks not only stepped up to the plate, they far exceeded all our expectations! For years, not only did they bring potable water for our Faire attendees, they also provided a generator when we all realized Roaring Camp did not have the electrical capability, at that time, of providing power to all the vendor booths, as well as two musical stages. SLVWD personnel became an integral part of our Faire and our community. They provided staff to monitor the water and power. In return, we invited all employees, Directors and their families to come enjoy our Faire as guests. It was truly all about working together as a community. Without SLVWD and their great staff, this Faire would not have been possible. If current Board members vote to discontinue this relationship, it would be a major setback. Please reconsider this carefully, all of us have a huge investment in this wonderful gathering, as well as many years and thousands of hours of hard work by hundreds of volunteers to bring this Faire to our community. And all proceeds go to the participating non-profit organizations. We appreciate and would like to continue this very special relationship with SLVWD.

Julie Hendriks
PO Box 167
Boulder Creek
CA 95006
Cell: 408-482-1433

Holly Hossack

From: Sheryl Ainsworth <sheryl.ainsworth@yahoo.com>
Sent: Friday, May 17, 2019 4:13 PM
To: Board of Directors
Subject: Budget to support steelhead monitoring

Honored Board of Directors:

Although I have not supported many of the past expenditure proposals made by the District, **I do urge you to continue budgeting for steelhead monitoring.**

Monitoring the health of the fish whose lives depend on our successful management of the San Lorenzo watershed is not a budgetary "extra." I think back to 2002. Gale Norton, as Secretary of the Interior, defiantly opened the gates on the Klamath River, sending precious water to local farmers. Tens of thousands of salmon died. The people who made that choice will always be remembered in infamy. Sometimes our water management decisions have long-lasting, even permanent, impacts. I believe this is one of those times, especially as the rainfall patterns become increasingly unpredictable due to global warming. We need all the data we can get.. **Please allocate the funds to continue with our District's participation in the monitoring program.**

Sincerely,
Sheryl Ainsworth
SLVWD ratepayer since 1990
Former Chair, Santa Margarita Groundwater Basin Advisory Committee

Holly Hossack

From: Ben Harris <director@mbstp.org>
Sent: Tuesday, May 21, 2019 9:18 AM
To: Board of Directors
Subject: San Lorenzo steelhead monitoring
Attachments: MBSTP letter of support_SLR steelhead.pdf

Dear Board of Directors,

Please find attached a letter on behalf of the Monterey Bay Salmon and Trout Project (MBSTP) Board of Directors in support of continued funding for juvenile steelhead monitoring in the San Lorenzo River watershed by SLVWD. We feel that this monitoring is critical to recovery efforts for local steelhead undertaken by MBSTP and many other entities.

Please contact me directly if you have any questions regarding this letter or MBSTP's position on this matter.

Thank you for your time and consideration,

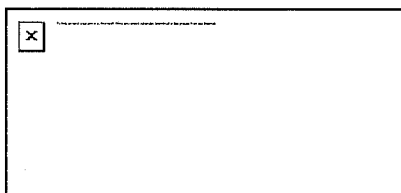
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Ben J. Harris
Executive Director
Monterey Bay Salmon and Trout Project

www.mbstp.org

101 Cooper St.
Santa Cruz, CA, 95060

Phone: (831)-531-2051





Santa Cruz Local Agency
Formation Commission
701 Ocean Street, Room 318-D
Santa Cruz, California 95060
Phone: (831) 454-2055

Email: info@santacruzlafco.org
Website: www.santacruzlafco.org

April 24, 2019
Certified Mail

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

RECEIVED

APR 23 2019

SAN LORENZO VALLEY
WATER DISTRICT

**SUBJECT: CALL FOR NOMINATIONS FOR THE SPECIAL DISTRICT ALTERNATE MEMBER
SEAT ON LAFCO**

Dear Board Chairperson:

The independent special districts in Santa Cruz County have three positions on the LAFCO board. The current Special District representatives are Jim Anderson (Felton Fire Protection District) and Rachél Lather (Soquel Creek Water District).

Commissioner Lather, previously LAFCO's Alternate Special District Member, was recently elected to be the new Regular Special District Member following the departure of Tom LaHue. As a result, the Special District Alternate Member seat on LAFCO is now vacant. The purpose of this letter is to solicit nominations for the alternate member position.

The term of the alternate position 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. I have attached a form by which a board member may apply for the position. An electronic format of the form can be accessed at the LAFCO website: <https://www.santacruzlafco.org>. The selection process rules are also posted on the LAFCO website (refer to the Policies & Rules webpage).

Please share this memo with other members of your board. **The deadline for returning completed nominations is 5:00 p.m. on June 7, 2019.**

Also, if you have any preferences whether to conduct the election by mail or by a meeting in person, please let me know no later than Friday, June 7th.

LAFCO staff is available to answer any questions about the selection process. After June 7, each district's presiding officer will be sent the nominations, along with an explanation of the voting process.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe A. Serrano".

Joe A. Serrano
Executive Officer

Enclosure: Nomination Form

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY



CALL FOR:
SPECIAL DISTRICT ALTERNATE MEMBER
NOMINATION PERIOD CLOSES JUNE 7, 2019

INSTRUCTIONS:

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

Mailing address:

LAFCO

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

Email:

Debra Means, Commission Clerk

debra@santacruzlafco.org

Applications must be received in the LAFCO office no later than **5:00 p.m. on Friday, June 7, 2019.**

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

NOMINEE INFORMATION:

Name: _____

Mailing Address: _____

Phone(s): Home: _____

Cell: _____

Business: _____

Email Address: _____

District Board on which you currently serve on: _____

Previous Board, Commission, or Committee served: _____

Organization: _____

Term: _____

Organization: _____

Term: _____

Organization: _____

Term: _____

STATEMENT OF INTEREST:

You may attach separate documents, including a brief resumé, 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

Water district criticized over proposed budget cuts

SAN LORENZO VALLEY

By Jessica A. York

*jyork@santacruzsentinel.com
@reporterjess on Twitter*

BOULDERCREEK>> As budget season approaches, a valley water district's board has come under fire for its proposed cost-cutting measures.

Felton resident Larry Ford on Thursday asked San Lorenzo Valley Water District board leaders for some "smart innovation" in cost-effective operational budgeting, as an alternative to cutting funding to several of its standing environmental programs

in the coming year's budget.

"The challenge to us it to take the cost management goal, which I think is admirable if not heroic, and turn it into one that can support all of these community concerns, including protecting the environment," Ford said.

"Eliminating programs is not innovation, it's not even creative. It's just something simple that seems to represent a political agenda to dismantle the government and I don't think that's necessary at this time."

In the district's "highlevel" draft budget proposal for the 2019-2010 fiscal year projects a 4% increase in annual spending, and includes a \$45,000 operational savings secured through cutting funding for water conservation and education programs for the coming year.

"Since the board recently stopped the data collection and water education grants — the request came in to do

them for '19-'20, but the district manager wanted to remove some of the more discretionary environmental expenditures, so that the board can be the ones helping make the decision for the direction they want for the '19-'20 year," Finance Manager Stephanie Hill told the board at its April 18 meeting.

Hill said the proposed cuts included \$7,500 for watershed data collection grants and \$17,500 for education program grants, \$10,000 for Olympian land management for invasive species and \$25,000 for juvenile salmon and stream habitat sampling. She said some of the

needed water system infrastructure projects and bolster its reserves. Board members often say "this isn't that much money," she said, "but you gotta start somewhere."

The district, in its May 2 meeting agenda, posted numerous letters of opposition to the discussed budget cuts.

Santa Cruz County Environmental Health's Water Resources Division Director John Ricker, in a letter dated April 15, asked the board to continue funding the Steelhead Monitoring Program, historically a joint effort between seven area water agencies and other agencies. The 25-year-old program collects

"Given the value of continued district participation in the steelhead monitoring program," Ricker wrote, he urged the district to consider reducing its contributions to save money, rather than eliminating its funding all together.

The board received similar letters supporting the district's continued involvement in the project from Santa Cruz Water Department's Watershed Compliance Manager Chris Berry, the state Department of Fish & Wildlife's local district fisheries biologist, the National Marine Fisheries Service's regional office and a Santa Cruz Fly Fishermen representative.

items were removed just “to make it for conversation” for the board.

Board director Bill Smallman questioned the cuts, asking how he could vote for the budget with the proposed environment-related program cuts and “God knows what else.”

Board chairwoman Lois Henry said the district needs millions to undertake

juvenile steelhead and stream habitat data in the San Lorenzo, Soquel, Aptos and Corralitos watersheds. The San Lorenzo Valley district’s funding, in particular, has paid for fish sampling on the district’s streams of interest, including Boulder Creek, San Lorenzo mainstem, downstream of Boulder Creek, Fall Creek and Zayante Creek.

“NMFS believes it would behoove the Board to continue funding this program and other monitoring efforts as you seek to comply with the ESA (Endangered Species Act),” wrote Amanda Ingham, NOAA’s Central Coast branch chief. *Contact reporter Jessica A. York at 831-706-3264.*