

M E M O

TO: Board of Directors

FROM: District Manager

SUBJECT: ADMINISTRATION DEPARTMENT STATUS REPORT WEEK
ENDING May 12, 2006

DATE: May 12, 2006

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Administration Department status report for the week ending May 12, 2006.

BACKGROUND:

WATERSHED PROTECTION PLAN

This project consists of a complete review and update of the District's Watershed Protection Plan which was adopted November 4, 1985. A Preliminary Administrative Draft of a revised Watershed Protection Plan has been completed. The Consultant (Al Haynes) completed a review of the Administrative Draft. District staff completed initial editing changes and revisions. Staff is undertaking additional editing and revision for completion of the Administrative Draft phase of this project. Final draft has been rescheduled for July 2006.

CAPITAL IMPROVEMENT PLAN

No activities on project during this reporting period.

Staff has started a review and update of the District's Capital Improvement Plan. The Capital Improvement Plan will identify and prioritize the District's future needs for capital improvement projects. Estimated completion date for this project has been revised to August 2006.

MANANA WOODS MUTUAL WATER COMPANY

District staff is working with representatives of Manana Woods to develop transition plans and schedule activities necessary for District operation of this system. The target transition date for District operation of Manana Woods is July 1, 2006.

ADMINISTRATION/OPERATIONS CAMPUS PROJECT

This project consists of the development of plans necessary for the conversion of District property located at 12788 Highway 9 (Johnson) and 12804 Highway 9 (Prosser), Boulder Creek into the District's primary administration and operations facilities. Staff has engaged the service of Daniel Silvernail Architect to develop preliminary program and design alternatives. The preliminary program and design alternatives will be reviewed by staff and the Facilities and Planning Committee. A Facilities and Planning Committee meeting is scheduled for May 16, 2006 to review preliminary program and design alternatives. Estimated completion date for final presentation of the program and design report is June 30, 2006.

POTENTIAL ACQUISITION OF CAL-AM FELTON

Staff is continuing with activities associated with the potential acquisition of Cal-Am Felton Water System. Applications for a Sphere of Influence Amendment and Annexation to the District have been submitted to LAFCO. LAFCO is tentatively scheduled to hear this matter at their June 2006 meeting.

WATER SUPPLY MASTER PLAN

This project consists of the development of an integrated Water Supply Master Plan for the District's existing ground and surface water sources. Staff has engaged the services of Nicholas M. Johnson, Water Resources Consultant to develop the Water Master Plan. Staff is working with Mr. Johnson to provide data necessary for this project. Estimated completion date for this project is June 30, 2006.

STRATEGIC FINANCIAL PLAN

This project consists of the development of a long-term Strategic Financial Plan for the District. Staff has engaged the services of a financial consultant, Municipal Financial Services to assist in the planning and development of this project. The Strategic Financial Plan would be a comprehensive and systematic management tool to help the District assess the current financial condition of the District and develop policies and programs to ensure that the District is prepared for envisioned future conditions. The following elements would be included in the Strategic Financial Plan:

- a) Water Service Rates
- b) Reserve Funds Policies
- c) Integration of Capital Improvement Plan

A Finance Committee Meeting will be scheduled for the week of May 22th to review progress to date and discuss overall goals and objectives for this project with the consultant and staff.

WATER SERVICE RATE STUDY

This project consists of a review and analysis of the District's current water service rates. District staff has engaged the services of Municipal Services to assist in this project. Staff is currently reviewing the District's existing water service rates relative to inflation and real cost increases over the last five (5) years. Staff will discuss this matter with the Finance Committee at their May meeting.

NORTH/SOUTH INTERTIE PROJECT

This project consists of the planning and design of a distribution system pipeline to interconnect the District's Northern and Southern distribution systems. Staff is work on a preliminary design for the proposed pipeline and required rights-of-way. A proposed location for a pump station has been identified and staff is discussing site acquisition with the property owner. Upon completion of the preliminary design for the proposed pipeline and, the Water Supply Master Plan (est. June 2006), staff will begin an environmental assessment of the proposed project. Staff will procure the services of an environmental consultant to perform an environmental assessment of the proposed project.

DISTRICT PROPERTY INVENTORY

This project consists of a comprehensive inventory and analysis of all property owned by the District. Staff is completing a preliminary draft report. Estimated completion date for the draft report is June 30, 2006. The draft report will be reviewed by the Facilities and Planning Committee in July 2006. A final report will be presented to the Board in August 2006.

ENVIRONMENTAL COMMITTEE

Staff will schedule an Environmental Committee Meeting for the week of May 29th to review and discuss the following items:

- a) San Lorenzo River Sediment Monitoring Program
- b) Request of Jim Sisk for consideration of a conservation easement on the District's Olympia Property.

BUDGET FISCAL YEAR 2006/2007

District staff is continuing with activities relative to development of a draft budget for Fiscal Year 2006/2007. Staff will present the draft budget to the Board at the June 15, 2006 meeting.

SANTA MARGARITA GROUNDWATER BASIN ADVISORY COMMITTEE

A meeting of the Santa Margarita Groundwater Basin Advisory Committee is scheduled for Wednesday, May 24, 2006, 7:00 p.m. at the Scotts Valley Water District Board Room.

ORDINANCE 8

No activities on this project during this reporting period.

This project consists of the review and revisions of Ordinance 8. Upon complete review, the amended Ordinance 8 will be presented to your Board for review and adoption. Estimated completion date for this project has been revised to November 2006.

AGREEMENT FOR FIRE HYDRANTS

No activities on project during this reporting period.

Staff met with representatives of the five (5) fire protection districts (Boulder Creek, Ben Lomond, Zayante, Felton and Scotts Valley) which operate within the boundaries of the San Lorenzo Valley Water District. The purpose of said meeting was to discuss the development of a mutual agreement regarding fire hydrants. A draft agreement will be prepared for consideration and possible adoption. Estimated completion date for a draft agreement has been revised to June 2006.

James A. Mueller
District Manager

JAM/bsb