

M E M O

TO: Board of Directors

FROM: District Manager

SUBJECT: ADMINISTRATION DEPARTMENT STATUS REPORT WEEK
ENDING August 11, 2006

DATE: August 11, 2006

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Administration Department status report for the week ending August 11, 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 Administrative Draft has been revised to September 29, 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 November 2006.

MANANA WOODS MUTUAL WATER COMPANY

District staff continued working with representatives of Manana Woods relative to transition activities. The District entered into a License Agreement with Manana Woods which provides for District operation and management of all aspects of water service in Manana Woods effective July 1, 2006. Final fee title and grant transfer of all Manana Woods facilities is scheduled for September 30, 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 was held on May 16, 2006 to review preliminary program and design alternatives. Estimated completion date for final presentation of the program and design report has been revised to September 15, 2006.

POTENTIAL ACQUISITION OF CAL-AM FELTON

Staff is continuing with activities associated with the potential acquisition of Cal-Am Felton Water System. At the June 26, 2006 LAFCO meeting, the District's applications for a Sphere of Influence Amendment and Annexation of the Cal-Am Felton service area was approved. The District is engaging in activities relative to appraisal and valuation of the Cal-Am Felton District.

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 has been revised to September 15, 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

At their June 21, 2006 meeting, the Finance Committee reviewed the draft water fund financial model prepared by Municipal Financial Corporation. At their July 19, 2006 meeting the Finance Committee further reviewed the model. A presentation to the full Board has been revised to September 21, 2006.

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.

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. August 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 administrative draft report has been revised to August 31, 2006. The administrative draft report will be reviewed by the Facilities and Planning Committee in September 2006. A final report will be presented to the Board in October 2006.

SANTA MARGARITA GROUNDWATER BASIN ADVISORY COMMITTEE

The next scheduled meeting of the Santa Margarita Groundwater Basin Advisory Committee is Wednesday October 26, 2006.

ORDINANCE 8

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 November 2006.

ACCOUNT DEPOSITS

At the June 21, 2006 Financial Committee meeting the District's existing policy relative to water customer account deposits was reviewed and discussed. District staff was directed to develop and propose draft amendments to the existing policy, and return same to the Finance Committee for additional review. At the July 11, 2006 Finance Committee meeting staff presented draft amendments to the existing policy. The Committee reviewed and discussed the draft amendments and directed staff to agendize the matter for full Board consideration at a future Board of Director's meeting. Staff has completed a draft of the proposed ordinance and will schedule this matter for the September 7, 2006 Board of Director's meeting.

James A. Mueller
District Manager

JAM/bsb