



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
December 17, 2015**

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

Notice is hereby given that a regular meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, December 17, 2015 at 6:00 p.m.**, at the Operations Building, 13057 Highway 9, Boulder Creek, California.

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

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

1. Convene Meeting/Roll Call

2. Additions and Deletions to Agenda:

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

3. 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. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager

- b. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9
One potential case

4. Convene to Open Session at 7:00 p.m.

5. Report of Actions Taken

6. Oral Communications:

This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Any person may address the Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. 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.

7. Written Communications:

- a. LETTER OF THANKS - SUNNYCROFT NEIGHBORHOOD

8. Consent Agenda:

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

- a. MINUTES OF THE BOARD OF DIRECTORS MEETING FROM DECEMBER 9, 2015

Consideration and possible action by the Board to approve minutes for the December 9, 2015 Board of Directors meeting.

- b. LAZARUS PERMIT APPLICATION

Consideration and possible action by the Board regarding the Lazarus Permit Application.

- c. BILL LIST FOR PERIOD ENDING DECEMBER 17, 2015

Consideration and possible action by the Board regarding the Bill List for the period ending December 17, 2015.

9. Unfinished Business: None

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

10. New Business:

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

a. AUDITORS' REPORT FOR JUNE 30, 2015

Discussion and possible action by the Board regarding the Auditors' Report for June 30, 2015.

b. ORDINANCE 8 - RULES & REGULATIONS/POLICIES & PROCEDURES

Discussion and possible action by the Board regarding Ordinance 8 - Rules & Regulations/Policies & Procedures.

c. FINANCIAL SUMMARY FOR OCTOBER 2015

Consideration and possible action by the Board regarding the Financial Summary for October 2015.

11. District Manager Reports:

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

a. MANAGER

(1) Department Status Reports

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

(i) Q & A from prior Board Meetings - None

(ii) Finance

(iii) Operations

b. COMMITTEE/DIRECTOR REPORTS:

(1) Future Committee Agenda Items

12. Informational Material: None

13. Adjournment

Certification of Posting

I hereby certify that on December 11, 2015 I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on December 11, 2015

Holly B. Morrison, District Secretary
San Lorenzo Valley

November 13, 2015

Ms Margaret Bruce, President of the Board
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

RECEIVED

DEC 07 2015

SAN LORENZO VALLEY
WATER DISTRICT

RE: Thank you for installation of Fire Hydrants for the
Sunnycroft Neighborhood, Ben Lomond (Sunnycroft Rd and Locust Lane)

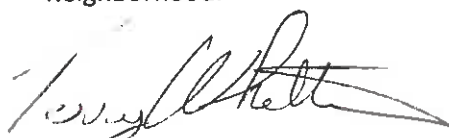
Dear Ms. Bruce and Members of the Board,

On behalf of the residents in the Sunnycroft neighborhood bounded by Highway 9, Sunnycroft Road and Locust Lane, we would like to thank the Board for authorizing this project. Further, we would like to acknowledge the fine work of your General Manager, Brian Lee and the staff who worked on the project. Through the Board's leadership and guidance, our neighborhood now has two new hydrants and a new service line to provide much improved fire protection for our neighborhood. The process, once approved, moved quickly and with minimal disruption to the residents.

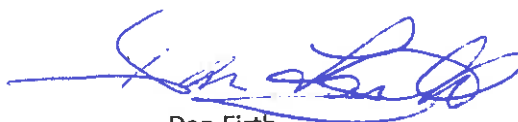
You may recall that in July 2013 there was a fire on Locust Lane that severely damaged two homes. At that time the fire hydrant at Sunnycroft and Highway 9 was the only serviceable hydrant for our neighborhood. In September 2013 we requested the District install additional hydrants in accordance with California Fire Code specifications but it took this Board to make it happen.

Attached is a copy of our original request letter.

Thank you for listening to us and for providing the vision necessary to provide this protection to our neighborhood.



Terry Whettam
245 Locust Lane
831-419-1149
whettam@sbcglobal.net



Dan Firth
220 Sunnycroft Lane
408-857-5766
danfirth@comcast.net

cc: Brian Lee, SLVWD General Manager
Ron Rickabaugh, Felton Fire Chief

**SAN LORENZO VALLEY WATER DISTRICT
SPECIAL BOARD MEETING MINUTES**

December 9, 2015

6:00 p.m.

CONVENE MEETING/ROLL CALL:

President Bruce convened the meeting at 6:02 p.m.

Roll call showed Dirs. Baughman, Ratcliffe and Brown were present. District Manager Lee, Director of Operations Rogers and Legal Counsel Hynes were also present.

ADJOURNMENT TO CLOSED SESSION:

President Bruce adjourned to closed session at 6:03 p.m.

Director Hammer arrived at 6:28.

RECONVENE TO OPEN SESSION:

Pres. Bruce reconvened the meeting to open session at 7:02 p.m. and read the SLVWD Mission Statement.

Roll call showed President Bruce, Dirs. Hammer, Baughman, Brown and Ratcliffe were present. District Manager Lee, Director of Operations Rogers and Legal Counsel Hynes were also present.

REPORT ACTIONS TAKEN IN CLOSED SESSION:

President Bruce announced that liability claims from Agenda Items 3c, 3d and 3e were rejected in full, a procedural operation, not confirming or denying. Evaluation will be sent to SDRMA Insurance.

ADDITIONS AND DELETIONS TO AGENDA: None

MINUTES:

Director Brown suggested that the Minutes be moved to the Consent Agenda.

Bruce Holloway, Boulder Creek, noted that Steve Yergovich's name was spelled incorrectly. He further questioned for clarification the statement that Lompico would be bringing 4 employees with the merger.

District Manager Lee said that the merger will bring water rights and 4 employees to the District.

Director Hammer made a motion to approve the minutes of the November 19, 2015.

ROLL CALL:

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

ORAL COMMUNICATIONS:

Charlene DeBert, Boulder Creek, said that she has requested maps and doesn't hear back within 2 weeks. She asked to be treated with a little more kindness.

WRITTEN COMMUNICATION:

President Bruce noted that there is a poem from a member of the public in the packet.

CONSENT AGENDA:

- 9a BOARD OF DIRECTORS POLICY MANUAL 2016
- 9b SEXUAL HARASSMENT POLICY 2016
- 9c PERSONNEL RULES AND REGULATIONS 2016
- 9d RESPECTFUL WORKPLACE POLICY 2016
- 9e INVESTMENT POLICY 2016

District Manager Lee noted that staff has no changes to recommend to the Consent Agenda policies.

Director Baughman noted that the Reserve Policy on the website is outdated.

Bruce Holloway, Boulder Creek, noted that Section 2a doesn't list Emergency Meetings. He also noted a difference in adjourned regular and regularly adjourned wording. The Board Policy Manual is not being followed, he also noted. He said that the Investment Policy hasn't been reviewed since 2014. He thinks the Finance Manager should look at the Investment Policy. As he has said before, that the Investment Policy refers to a repealed code.

President Bruce said that a review of wording in the Policy Manual and Investment Policy can be undertaken during the Strategic Planning in 2016.

Director Ratcliffe made a motion to approve the Consent Agenda.

ROLL CALL:

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

UNFINISHED BUSINESS: None

NEW BUSINESS:

11a ELECTION OF OFFICERS 2016

President Bruce nominated Director Brown for President of the Board. Director Ratcliffe seconded the nomination.

Charlene DeBert, Boulder Creek, said that she thinks Randall will do a great job.

ROLL CALL:

Ayes: Hammer, Baughman, Ratcliffe, Bruce

Noes:

Abstain: Brown

Absent:

President Brown nominated Director Ratcliffe for Vice President. Director Bruce seconded the nomination.

ROLL CALL:

Ayes: Hammer, Bruce, Baughman, Ratcliffe, Brown

Noes:

Abstain:

Absent:

District Manager Lee said that staff would like to express sincere thanks and gratitude to Director Bruce for her service and that staff is looking forward to working with President Brown and Vice President Ratcliffe.

11b BOARD OF DIRECTORS MEETING DATES 2016

President Brown shared the history of the 1st and 3rd Thursday meeting times.

Director Ratcliffe would like the dates to stay the same.

District Manager Lee suggested one meeting a quarter be a daytime meeting.

Director Hammer made a motion to approve the Meeting Dates 2016 as it stands.

Director Baughman suggested that the July 7th meeting be moved to June 30th.

Director Hammer suggested that the Board keep it simple.

Bruce Holloway, Boulder Creek, suggested that the Board cancel the December 1st meeting.

ROLL CALL:

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

11c COMMITTEE APPOINTMENTS 2016

President Brown said that it is his prerogative to name the Board members to the new committees.

Administration Committee - Bruce & Brown

Budget & Finance Committee - Brown & Baughman

Environmental/Engineering/Planning - Ratcliffe & Hammer

Santa Margarita Groundwater Basin Advisory Committee - Bruce
Baughman (alternate)

Director Hammer thinks this is a very important committee. He has been following this committee for a decade.

Director Baughman says that he agrees it needs a serious commitment.

Dist. Mgr. Lee agreed that the District will become more actively engaged in the SMGBAC. He also suggested that the Board have a standing item on the agenda for groundwater discussion.

Director Ratcliffe questioned the necessity of the Lompico Committee.

District Manager Lee said that in February 2016 the District would consider an Ad Hoc Lompico committee.

Bruce Holloway, Boulder Creek, said that Ad Hoc committees are not very transparent.

11d "EL NINO" PREPARATION

Director of Operations Rogers gave a report on the District's preparation for "El Nino" emergencies.

Director Ratcliffe noted that ACWA's website has quite a lot of "El Nino" information.

11e BILL LIST FOR PERIOD ENDING 12.9.15

Director Baughman made a motion to approve the Bill List for 12.9.15.

ROLL CALL:

Ayes: Hammer, Brown, Bruce, Ratcliffe, Baughman

Noes:

Abstain:

Absent:

GENERAL MANAGER REPORTS:

Q & A from BoD 11/19/15.

Admin/Engineering Status Report

Operations Oct. 2015 Status Report

Environmental Status Report

COMMITTEE/DIRECTOR REPORTS: None

ADJOURNMENT:

President Brown adjourned the meeting at 8:24 p.m.

M E M O

TO: Board of Directors

FROM: District Manager

WRITTEN

BY: Engineering/GIS Manager

SUBJECT: METER SIZING LOW FLOW FIXTURE UNIT COUNT;
APN 021-072-04

DATE: December 17, 2015

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and approve the requested meter sizing low flow fixture unit count modification for a small guest house addition proposed to be constructed at 150 Estrella Dr. in Scotts Valley. (APN 021-072-04)

BACKGROUND:

On November 12, 2015, Mr. Michael Lazarus, the property owner of APN 021-072-04 located at 150 Estrella Dr. in Scotts Valley, sent a letter to the Board of Directors (See Attachment 1) requesting that the District consider revising our existing water meter sizing fixture unit counts to include consideration for low flow fixtures. The current District standards and policies do not account for low flow devices. The proposed guest house will only be adding a toilet and a bathroom sink. The low fixture unit (F.U.) counts are as follows: 1) shower from 2 F.U. to 1.5 F.U. 2) toilet from 3 F.U. to 2.5 F.U. Mr. Lazarus is currently working with the City of Scotts Valley to acquire all required permits for his project.

It is recommended that the Board of Directors approve the request to apply low flow water meter sizing fixture units to the project located on APN 021-072-04.

STRATEGIC PLAN:

Element 6.2 – Increase Civic Understanding and Engagement

FISCAL IMPACT:

No impact to current budget year.

ATTACHMENT 1

To whom it may concern at the Board of the San Lorenzo Valley Water District:

My name is Mike Lazarus. I am the property owner and permit applicant for a guest house (not secondary dwelling unit) in my rear yard at 150 Estrella Drive in Scotts Valley.

It has come to my attention that the SLWD does not take into account low-flow fixtures in it's unit count.

If the board would kindly take this into account -- as it would accurately portray the current situation at my property -- then this would be a very straight-forward matter, as the unit count would add up to 29 units INCLUDING the proposed new construction. As you can see in the updated and corrected data, even with the new proposed construction water usage will continue to be underused by the current feed.

Table 1

Lazarus Residence Fixture Units	Quantity	Units / fixture	Total CORRECTED	Low Flow Units / fixture	New Total
Existing Home					
lavys	3	1	3		3
toilets	3	3	9	2.5	7.5
showers	3	2	6	1.5	4.5
kitchen sink w/ dishwasher	1	2	4		4
washing machine	1	2	2		2
hose bib	1	3	3		3
Subtotal			27		24
Proposed Guest House					
lavy	1	1	1		1
toilet	1	3	3	2.5	2.5
shower	1	2	2	1.5	1.5
sink	1	2	2	remove sink	
Subtotal			6		5
Total Fixture Units			33		29

** upgrade meter from 5/8 to 3/4 approx. \$120 charge

If you deem this so, then I can move forward and pay the approx. \$120 to upgrade my meter from 5/8" to 3/4" without wasting everyone's time and expense for implementing and installing unnecessary infrastructure to send MORE water to my property, water that is absolutely not needed and will not be used in future.

If conservation really is a continuing goal, I do think it is VERY important to note that my residence used to be a group home, serving 4 TIMES the numbers of individuals (15 - 20) compared to 4 living here now (2 adults & 2 children). Please see attached document receipt denoting proof.

Per the city code, the proposed guest house is not deemed a secondary dwelling unit --- as by definition it is not permitted to have any kitchen facilities (also refer to (see "17.41.120 Recordation of agreement prohibiting secondary dwelling unit" attached) -- and it is to be used ONLY 20 - 40 days a year in non-sequence for visits by family and relatives (basically moving the guest room inside to the yard outside to make room for my kids).

*** I hope that all this information is to your satisfaction and that you agree that the current installation is more than adequate for all the property water needs including the proposed construction. ***

I can make myself available for a person-to-person meeting if required. If you review our water bill history you will READILY see that my family has done it's part to significantly reduce water consumption.

Thank you for your time and consideration,

Michael Lazarus

150 Estrella Drive

Scotts Valley, CA 95066

M E M O

TO: Board of Directors

FROM: District Manager

PREPARED

BY: Finance Manager

SUBJECT: BILL LIST

DATE: December 11, 2015

RECOMMENDATION:

It is recommended that the Board of Directors review this memo and the attached Bill List for the period ending December 11, 2015.

Accounts Payable

Outstanding Invoices

User: KendraNegro
 Printed: 12/11/2015 - 8:30 AM
 Date Type: JE Date
 Date Range: 12/04/2015 to 12/11/2015

BILL LIST SUMMARY
 Check Register Total : \$181,621.62
 AP Outstanding Total: \$577,219.99
 Payroll 12/09: \$84,977.62
TOTAL FOR APPROVAL: \$843,819.23



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
00047 - SOIL CONTROL LAB						
01-800-5202	12/10/2015	11/20/2015	5100915	00062-06-2016	117.00	TOTAL PHOSPHATE
01-800-5202	12/10/2015	11/20/2015	5110211	00062-06-2016	117.00	TOTAL PHOSPHATE
01-800-5202	12/10/2015	11/18/2015	5110426	00062-06-2016	145.00	GENERAL PHYSICAL
01-800-5202	12/10/2015	11/20/2015	5110427	00062-06-2016	78.00	TOTAL PHOSPHATE
01-800-5202	12/10/2015	11/20/2015	5110580	00062-06-2016	145.00	GENERAL PHYSICAL
01-800-5202	12/10/2015	11/20/2015	5110581	00062-06-2016	78.00	TOTAL PHOSPHATE
01-800-5202	12/10/2015	11/25/2015	5110719	00062-06-2016	145.00	GENERAL PHYSICAL
Total for Vendor 00047 - SOIL CONTROL LAB:					825.00	
00054 - PACIFIC GAS & ELECTRIC						
01-400-5500	12/10/2015	12/10/2015		00062-06-2016	10.18	ELECTRIC CHARGES - ELENA CT
Total for Vendor 00054 - PACIFIC GAS & ELECTRIC:					10.18	
00067 - CALIFORNIA SPECIAL DISTRICT						
01-100-5631	12/10/2015	12/8/2015	120815	00062-06-2016	6,089.00	MEMBERSHIP DUES
Total for Vendor 00067 - CALIFORNIA SPECIAL DISTRICT:					6,089.00	
00076 - ERNIE'S AUTO CENTER						
01-400-5410	12/10/2015	10/13/2015	635697	00062-06-2016	32.45	RADIATOR COOLANT--VEHICLE SUPPLIES
Task Label:		Type:	PO Number:	0000100154		
Total for Vendor 00076 - ERNIE'S AUTO CENTER:					32.45	
00080 - GRANITE CONSTRUCTION CO						
01-400-5300	12/10/2015	11/2/2015	901160	00062-06-2016	385.37	COLD MIX-QUAIL 5 YARD
Task Label:		Type:	PO Number:	0000100158		
01-400-5300	12/10/2015	11/13/2015	906164	00062-06-2016	253.99	PROBATION ACCESS ROAD REP--ACCSEE ROAD REPAIR
Task Label:		Type:	PO Number:	0000100159		

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00080 - GRANITE CONSTRUCTION CO						
01-400-5300	12/10/2015	11/17/2015	907438	00062-06-2016	182.15	HOT MIX--MAIN LEAK REPAIRS
Task Label:		Type:	PO Number:	0000100159		
01-400-5300	12/10/2015	11/30/2015	912018	00062-06-2016	47.52	QUAIL BINS---BASE ROCK AND SAND
Task Label:		Type:	PO Number:	0000100134		
Total for Vendor 00080 - GRANITE CONSTRUCTION CO:					869.03	
00118 - FARMER BROTHERS COFFEE						
01-400-5600	12/10/2015	11/18/2015	62902295	00062-06-2016	203.89	COFFEE SUPPLIES OP--COFFEE & SUPPLIES
Task Label:		Type:	PO Number:	0000100155		
Total for Vendor 00118 - FARMER BROTHERS COFFEE:					203.89	
00212 - COUNTY OF SANTA CRUZ						
01-800-5320	12/10/2015	11/17/2015	IN0076394	00062-06-2016	2,728.00	HEALTH PERMIT
Total for Vendor 00212 - COUNTY OF SANTA CRUZ:					2,728.00	
00213 - CHESTNUT IDENTITY						
01-400-5171	12/10/2015	11/10/2015	101791	00062-06-2016	175.15	UNIFORM/CLOTHING - ADAM DETLEF
Task Label:		Type:	PO Number:	0000100133		
Total for Vendor 00213 - CHESTNUT IDENTITY:					175.15	
00219 - TOYOTA MATERIAL HANDLING						
01-400-5200	12/10/2015	11/18/2015	K11943	00062-06-2016	384.77	FORKLIFT - REPAIR ADMIN LIFT
Task Label:		Type:	PO Number:	0000100166		
Total for Vendor 00219 - TOYOTA MATERIAL HANDLING:					384.77	
00236 - IDEXX DISTRIBUTION CORP						
01-800-5300	12/10/2015	11/18/2015	295182932	00062-06-2016	150.58	BACTEE BOTTLES
Task Label:		Type:	PO Number:	0000100160		
Total for Vendor 00236 - IDEXX DISTRIBUTION CORP:					150.58	
00263 - RAYNE WATER CONDITIONING						
01-800-5320	12/10/2015	11/30/2015	113015	00062-06-2016	31.75	
Total for Vendor 00263 - RAYNE WATER CONDITIONING:					31.75	
00265 - COMMUNITY TELEVISION OF						
01-100-5200	12/10/2015	12/7/2015	2238	00062-06-2016	375.00	CONTRACT SERVICES

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00265 - COMMUNITY TELEVISION OF:					375.00	
00268 - WATTS ON						
02-600-5200	12/10/2015	10/27/2015	11585	00062-06-2016	2,612.88	BEAR CREEK WATER WRKS- GENERATOR REPAIR
Task Label:		Type:		PO Number: 0000100167		
01-400-5200	12/10/2015	10/27/2015	11586	00062-06-2016	385.56	MITCHELL BOOSTER GENSET--GENERATOR SERVICE
Task Label:		Type:		PO Number: 0000100167		
01-400-5200	12/10/2015	10/27/2015	11587	00062-06-2016	481.45	BLUE RIDGE BOOSTER-GENERATOR SERVICE
Task Label:		Type:		PO Number: 0000100167		
01-800-5200	12/10/2015	11/17/2015	11602	00062-06-2016	250.00	GENERATOR SERVICE---KIRBY PLANT
Task Label:		Type:		PO Number: 0000100142		
01-400-5200	12/10/2015	11/17/2015	11603	00062-06-2016	407.53	GENERATOR SERVICE---SCENIC-REDWOOD PARK BOOSTER
Task Label:		Type:		PO Number: 0000100142		
01-800-5200	12/10/2015	11/28/2015	11608	00062-06-2016	1,183.08	GENERATOR SERVICE---LYON PLANT
Task Label:		Type:		PO Number: 0000100142		
01-400-5200	12/10/2015	11/28/2015	11609	00062-06-2016	275.00	GENERATOR SERVICE---FELTON ACRES
Task Label:		Type:		PO Number: 0000100142		
Total for Vendor 00268 - WATTS ON:					5,595.50	
00273 - CORELOGIC, INC.						
01-200-5200	12/10/2015	11/30/2015	81637848	00062-06-2016	93.75	REALQUEST SERVICES
01-300-5200	12/10/2015	11/30/2015	81637848	00062-06-2016	93.75	REALQUEST SERVICES
Total for Vendor 00273 - CORELOGIC, INC.:					187.50	
00290 - CONTRACTOR COMPLIANCE & MONIT						
01-000-1565	12/10/2015	11/25/2015	6457	00062-06-2016	1,250.00	INTERTIE #2 PROJECT
01-000-1565	12/10/2015	11/25/2015	6457	00062-06-2016	1,250.00	INTERTIE #4 PROJECT
01-000-1565	12/10/2015	11/25/2015	6457	00062-06-2016	1,250.00	INTERTIE #3 PROJECT
Total for Vendor 00290 - CONTRACTOR COMPLIANCE & MONIT:					3,750.00	
00296 - MESITI-MILLER ENGINEERING,INC						
01-000-1565	12/10/2015	12/3/2015	1115030	00062-06-2016	7,891.40	PROBATION TANK PROJECT
Total for Vendor 00296 - MESITI-MILLER ENGINEERING,INC:					7,891.40	
00298 - STATE OF CALIFORNIA						
01-000-2130	12/10/2015	12/11/2015	121115	00062-06-2016	75.00	CASE #557151242
Total for Vendor 00298 - STATE OF CALIFORNIA:					75.00	

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00336 - LAND TRUST OF SANTA CRUZ CNTY						
01-500-5200	12/10/2015	11/30/2015	NOV 2015	00062-06-2016	1,008.45	OLYMPIA PATROL
Total for Vendor 00336 - LAND TRUST OF SANTA CRUZ CNTY:					1,008.45	
00342 - BRASS KEY LOCKSMITH						
01-400-5410	12/10/2015	11/9/2015	943425	00062-06-2016	54.77	VEHICLE KEYS---TRUCK 155
Task Label:		Type:		PO Number: 0000100132		
01-100-5200	12/10/2015	11/24/2015	943514	00062-06-2016	298.90	JOHNSON BUILDING---BUILDING LOCK REPLACEMENT
Task Label:		Type:		PO Number: 0000100132		
01-400-5410	12/10/2015	11/30/2015	943522	00062-06-2016	111.45	VE-309 F250 4X4 --KEYS (TRUCK 309)
Task Label:		Type:		PO Number: 0000100153		
Total for Vendor 00342 - BRASS KEY LOCKSMITH:					465.12	
00359 - ALLIED ELECTRONICS						
01-800-5300	12/10/2015	11/12/2015	9005277756	00062-06-2016	71.77	ON - DELAY RELAY FOR FILTERS -- KIRBY PLANT
Task Label:		Type:		PO Number: 0000100146		
Total for Vendor 00359 - ALLIED ELECTRONICS:					71.77	
00367 - INFOSEND, INC						
01-200-5650	12/10/2015	11/30/2015	99553	00062-06-2016	2,691.83	POSTAGE - BILLING
01-200-5200	12/10/2015	11/30/2015	99553	00062-06-2016	1,122.13	CONTRACT SERVICES
Total for Vendor 00367 - INFOSEND, INC:					3,813.96	
00396 - SALMONID RESTORATION FED.						
01-500-5631	12/10/2015	12/7/2015	3199	00062-06-2016	500.00	MEMBERSHIP
Total for Vendor 00396 - SALMONID RESTORATION FED.:					500.00	
00398 - WATSONVILLE METAL CO.,INC						
01-400-5420	12/10/2015	11/30/2015	8424698	00062-06-2016	600.00	MAINTENANCE - ZAYANTE RD
Total for Vendor 00398 - WATSONVILLE METAL CO.,INC:					600.00	
00409 - PURCHASE POWER						
01-200-5650	12/10/2015	11/11/2015	111115	00062-06-2016	201.20	POSTAGE
Total for Vendor 00409 - PURCHASE POWER:					201.20	
00450 - EUROFINS EATON ANALYTICAL, INC						

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
00450 - EUROFINS EATON ANALYTICAL, INC						
01-800-5202	12/10/2015	11/5/2015	239554	00062-06-2016	80.00	ARSENIC TOTAL ICA/MS
01-800-5202	12/10/2015	11/6/2015	239743	00062-06-2016	80.00	ARSENIC TOTAL ICAP/MS
01-800-5202	12/10/2015	11/13/2015	240741	00062-06-2016	80.00	ARSENIC TOTAL ICAP/MS
01-800-5202	12/10/2015	11/20/2015	241605	00062-06-2016	80.00	ARSENIC TOTAL ICAP/MS
01-800-5202	12/10/2015	11/30/2015	242462	00062-06-2016	100.00	MONTHLY ARSENIC
01-800-5202	12/10/2015	12/3/2015	242917	00062-06-2016	80.00	WEEKLY ARSENIC
01-800-5202	12/10/2015	12/4/2015	243128	00062-06-2016	200.00	STAGE 2 DBP - MANANA WOODS
01-800-5202	12/10/2015	12/4/2015	243129	00062-06-2016	400.00	STAGE 2 DBP - FELTON
01-800-5202	12/10/2015	12/4/2015	243130	00062-06-2016	800.00	STAGE 2 DBP - SLVWD
Total for Vendor 00450 - EUROFINS EATON ANALYTICAL, INC:					1,900.00	
00550 - HACH COMPANY						
01-800-5300	12/10/2015	11/9/2015	9660883	00062-06-2016	883.32	CHLORINE REAGENT
Task Label:		Type:	PO Number:	0000100157		
01-800-5300	12/10/2015	11/20/2015	9680864	00062-06-2016	207.23	TURBIDIMETER INSTALL EXTENSION PLUG--LYON PLANT
Task Label:		Type:	PO Number:	0000100156		
Total for Vendor 00550 - HACH COMPANY:					1,090.55	
00566 - C S S C						
01-400-5200	12/10/2015	11/22/2015	59110	00062-06-2016	239.41	ANSWERING SERVICE
Total for Vendor 00566 - C S S C:					239.41	
00577 - GOLDEN STATE FLOW						
01-000-1300	12/10/2015	12/1/2015	I-049651	00062-06-2016	2,208.40	8001-129 MODEL 520R MXU - 1 PORT
Task Label:		Type:	PO Number:	0000100105		
Total for Vendor 00577 - GOLDEN STATE FLOW:					2,208.40	
00589 - ALLARD'S SEPTIC						
01-800-5200	12/10/2015	11/9/2015	7059	00062-06-2016	-75.00	MAINTENANCE
01-800-5200	12/10/2015	11/9/2015	7059	00062-06-2016	300.00	MAINTENANCE
Total for Vendor 00589 - ALLARD'S SEPTIC:					225.00	
00608 - LLOYD'S TIRE SERVICE, INC						
01-400-5410	12/10/2015	10/23/2015	293022	00062-06-2016	709.44	NEW TIRES-- TRUCK 325
Task Label:		Type:	PO Number:	0000100162		
01-400-5410	12/10/2015	12/4/2015	295357	00062-06-2016	981.49	TIRES--TRUCK 155
Task Label:		Type:	PO Number:	0000100135		

Vendor

Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00608 - LLOYD'S TIRE SERVICE, INC:					1,690.93	
00640 - MONTEREY BAY UNIFIED AIR						
01-400-5320	12/10/2015	11/30/2015	936-113015	00062-06-2016	2,500.00	ANNUAL GENERATOR PERMITS---AIR POLLUTION PERMIT(ALL GENS)
Task Label:		Type:	PO Number:	0000100137		
Total for Vendor 00640 - MONTEREY BAY UNIFIED AIR:					2,500.00	
00703 - DATAFLOW BUSINESS SYSTEMS, INC						
01-100-5600	12/10/2015	11/5/2015	168990	00062-06-2016	7.50	TONER CARTRIDGE
01-200-5200	12/10/2015	11/10/2015	169483	00062-06-2016	211.23	CANON IMAGERUNNER 2525 COPIER
Task Label:		Type:	PO Number:	28811		
Total for Vendor 00703 - DATAFLOW BUSINESS SYSTEMS, INC:					218.73	
00721 - UNITED SITE SVCS.,INC						
01-400-5320	12/10/2015	11/18/2015	114-3507729	00062-06-2016	148.15	RENTAL - QUAIL FACILITY
Total for Vendor 00721 - UNITED SITE SVCS.,INC:					148.15	
00729 - ALPHA ANALYTICAL LABS						
02-600-5202	12/10/2015	9/2/2015	5090867	00062-06-2016	858.00	WASTEWATER MONITORING
02-600-5202	12/10/2015	11/2/2015	5110736	00062-06-2016	362.00	WASTEWATER MONITORING
02-600-5202	12/10/2015	11/18/2015	5112224	00062-06-2016	857.00	WASTEWATER MONITORING
02-600-5202	12/10/2015	12/8/2015	5121429	00062-06-2016	926.00	WASTEWATER MONITORING
Total for Vendor 00729 - ALPHA ANALYTICAL LABS:					3,003.00	
00750 - CHARLES Z FEDAK & CO.						
01-200-5201	12/10/2015	11/30/2015	113015	00062-06-2016	1,800.00	PROFESSIONAL SERVICES - NOV 215
Total for Vendor 00750 - CHARLES Z FEDAK & CO.:					1,800.00	
00756 - KENNEDY/JENKS CONSULTANTS						
01-000-1565	12/10/2015	11/30/2015	97204	00062-06-2016	9,396.67	INTERTIE #4 PROJECT
01-000-1565	12/10/2015	11/30/2015	97204	00062-06-2016	39,589.65	INTERTIE #3 PROJECT
01-000-1565	12/10/2015	11/30/2015	97204	00062-06-2016	11,849.71	INTERTIE # 2 PROJECT
Total for Vendor 00756 - KENNEDY/JENKS CONSULTANTS:					60,836.03	
00782 - MONTEREY PENINSULA ENGINEERING						
01-000-1565	12/11/2015	11/25/2015	11-20	00064-06-2016	462,351.95	INTERTIES 2,3,4

Vendor	Account Number	JE Date	Invoice Date	Invoice No	Journal Entry	Amount	Description
Total for Vendor 00782 - MONTEREY PENINSULA ENGINEERING:						462,351.95	
00788 - COMCAST							
	01-800-5510	12/10/2015	11/3/2015	110315	00062-06-2016	146.69	INTERNET SERVICE
	01-800-5510	12/10/2015	12/3/2015	120315	00062-06-2016	154.70	INTERNET SERVICE
	01-800-5510	12/10/2015	12/3/2015	120315	00062-06-2016	146.69	
Total for Vendor 00788 - COMCAST:						448.08	
01075 - MPRESS DIGITAL, INC							
	01-100-5620	12/10/2015	12/3/2015	5638	00062-06-2016	96.79	WATESHED BROCHURE
Total for Vendor 01075 - MPRESS DIGITAL, INC:						96.79	
10001 - RUTAN AND TUCKER, LLP							
	01-100-5210	12/10/2015	12/3/2015	734079	00062-06-2016	102.00	LEGAL SERVICES
Total for Vendor 10001 - RUTAN AND TUCKER, LLP:						102.00	
10005 - ICMA RETIREMENT C/O M & T RETIREMENT CORP 457							
	01-000-2208	12/10/2015	12/9/2015	120915	00062-06-2016	1,085.00	WITHHOLDING- RETIREMENT
Total for Vendor 10005 - ICMA RETIREMENT C/O M & T RETIREMENT CORP 457:						1,085.00	
10006 - COLUMBUS BANK & TRUST - ACCT #30037972							
	01-000-2206	12/10/2015	12/9/2015	120915	00062-06-2016	192.92	SECTION 125 PLAN - 12/9/15
Total for Vendor 10006 - COLUMBUS BANK & TRUST - ACCT #30037972:						192.92	
10019 - SCHWARZBACH ASSOCIATES, INC.							
	01-400-5420	12/10/2015	12/4/2015	151204-1	00062-06-2016	1,048.35	JOHNSON BUILDING MAINTENANCE
Total for Vendor 10019 - SCHWARZBACH ASSOCIATES, INC.:						1,048.35	
Report Total:						577,219.99	

Accounts Payable

Checks by Date - Detail by Check Number

User: KendraNegro
Printed: 12/11/2015 8:25 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
10344	00362 2046 INV31784	ACCELA, INC #774375 SPRINGBROOK MONTHLY WEB PAYMENTS	12/01/2015		
					21,612.00
					3,161.00
			Total for Check Number 10344:	0.00	24,773.00
10345	00300 103015	APOLLO DRAIN SERVICE MAINTENANCE	12/01/2015		
					240.00
			Total for Check Number 10345:	0.00	240.00
10346	00115 DEC 2015 OCT 2015 OCT 2015 OCT 2015	ATKINSON-FARASYN LEGAL SERVICES LEGAL SERVICES LEGAL SERVICES LEGAL SERVICES	12/01/2015		
					3,500.00
					1,287.50
					775.83
					1,383.75
			Total for Check Number 10346:	0.00	6,947.08
10347	00145 314-290344	BATTERIES PLUS UPS BATTERIES-MAIN UPS AT OPS	12/01/2015		
					974.05
			Total for Check Number 10347:	0.00	974.05
10348	00013 91166	CENTRAL HOME SUPPLY LYON PLANT BASINS- WASHED PEA GRAV	12/01/2015		
					170.59
			Total for Check Number 10348:	0.00	170.59
10349	00363 NOV 2015	CINCINNATI LIFE INSURANCE CO LIFE INSURANCE	12/01/2015		
					14.00
			Total for Check Number 10349:	0.00	14.00
10350	01050 4377735-1014291	COLONIAL LIFE SUPPLEMENTAL INSURANCE - OCT 2015	12/01/2015		
					416.30
			Total for Check Number 10350:	0.00	416.30
10351	00788 NOV 2015	COMCAST INTERNET/SERVICES	12/01/2015		
					146.69
			Total for Check Number 10351:	0.00	146.69
10352	00560 102615	COSTCO WHOLESALE OFFICE SUPPLIES FOR ADMIN. BUILDING	12/01/2015		
					159.69
			Total for Check Number 10352:	0.00	159.69
10353	00037 698327 700828	COUNTY OF SANTA CRUZ APN 090-194-17 PROP TAXES 1ST & 2ND IN APN 065-281-03 PROP TAXES 1ST & 2ND IN	12/01/2015		
					150.68
					100.98

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	746877	APN 081-132-09 PROP TAXES 1ST & 2ND IN			166.98
			Total for Check Number 10353:	0.00	418.64
10354	00384 1015-01	D.W. ALLEY & ASSOCIATES SURFACE WATER DIVERSION & TEMP MO	12/01/2015		2,889.80
			Total for Check Number 10354:	0.00	2,889.80
10355	00703 168288 168289 168538 168539	DATAFLOW BUSINESS SYSTEMS, INC YP LASER JET 600M602 PRINTER -FINANC MAINT. HP 5200TN PRINTER-FINANCE FY1 SAVIN 917 SPF COPIER- OPS FY 15/16 SAVIN 816 SUPER G3 COPIER KIRBY WTP I	12/01/2015		214.83 185.18 83.83 34.18
			Total for Check Number 10355:	0.00	518.02
10356	00312 101315	DOCTORS ON DUTY CONTRACT/PROFESSIONAL SERVICES	12/01/2015		75.00
			Total for Check Number 10356:	0.00	75.00
10357	00319 64921	ECOLOGY ACTION OF SANTA CRUZ WATER COALITION	12/01/2015		1,058.13
			Total for Check Number 10357:	0.00	1,058.13
10358	00076 637489	ERNIE'S AUTO CENTER CHARGING INVERTER- TRUCK 222	12/01/2015		37.88
			Total for Check Number 10358:	0.00	37.88
10359	00343 44581	ERNIE'S SERVICE CENTER NEW TRANSMISSION-TRUCK 352	12/01/2015		2,526.35
			Total for Check Number 10359:	0.00	2,526.35
10360	00550 9649287	HACH COMPANY LYON PLANT TURBIDIMETERS	12/01/2015		4,919.33
			Total for Check Number 10360:	0.00	4,919.33
10361	00784 E648618 E648618 E648618 E648618	HD SUPPLY WATERWORKS,LTD 2101-061 1102-109 2101-064 1102-103	12/01/2015		81.19 7.14 263.70 14.40
			Total for Check Number 10361:	0.00	366.43
10362	00367 98549 98549	INFOSEND, INC CONTRACT SERVICES - MONTHLY BILLIN POSTAGE	12/01/2015		1,201.18 2,705.78
			Total for Check Number 10362:	0.00	3,906.96
10363	00181	LAS ANIMAS CONCRETE SLURRY-FIREHOUSE- MAIN REPAIR	12/01/2015		305.16
			Total for Check Number 10363:	0.00	305.16
10364	00608 293338	LLOYD'S TIRE SERVICE, INC NEW TIRES- TRUCK 340	12/01/2015		784.44

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 10364:	0.00	784.44
10365	00610 100759	MAGGIORA BROS DRILLING PASO 5A WELL SERVICE-REMOVED WIRE	12/01/2015		1,202.50
			Total for Check Number 10365:	0.00	1,202.50
10366	00296 1015023 1015028	MESITI-MILLER ENGINEERING,INC PROBATION TANK PROBATION TANK	12/01/2015		10,838.29 1,189.10
			Total for Check Number 10366:	0.00	12,027.39
10367	10017 110515	JEN MICHELSEN WATERSHED SYMPOSIUM	12/01/2015		244.81
			Total for Check Number 10367:	0.00	244.81
10368	10018 102715	HOLLY MORRISON CALPERS CONFERENCE	12/01/2015		106.42
			Total for Check Number 10368:	0.00	106.42
10369	10011 1853	PARC ENVIRONMENTAL PROSSER BLDG-ASBESTOS ABATEMENT	12/01/2015		1,800.00
			Total for Check Number 10369:	0.00	1,800.00
10370	00957 3349	PORT SUPPLY RAIN GEAR- FOR CREW AND MICS.	12/01/2015		432.73
			Total for Check Number 10370:	0.00	432.73
10371	10015 085-15gk	PRO TECH PROSSER BLDG- HAZ-MAT SERVICES	12/01/2015		3,030.00
			Total for Check Number 10371:	0.00	3,030.00
10372	00046 8220000002439	RED WING SHOE STORE SAFETY BOOTS/ SHOES FOR HOWARD 139	12/01/2015		230.80
			Total for Check Number 10372:	0.00	230.80
10373	10001 730407	RUTAN AND TUCKER, LLP LEGAL SERVICES	12/01/2015		612.00
			Total for Check Number 10373:	0.00	612.00
10374	00142 61-0057677	SAN LORENZO LUMBER METER INSTALL- 354 REDWOOD - PVC PA	12/01/2015		3.27
			Total for Check Number 10374:	0.00	3.27
10375	00125 540001 540014 540041	SCARBOROUGH LUMBER HUD REPAIR DAVY TREE-MAIN BREAK HUD REPAIR DAVY TREE-MAIN BREAK MAIN BREAK ADMIN- REPLACE PARTS US	12/01/2015		71.70 228.12 50.33
			Total for Check Number 10375:	0.00	350.15
10376	10019 151030-1	SCHWARZBACH ASSOCIATES, INC.	12/01/2015		700.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	151106-1				1,190.00
			Total for Check Number 10376:	0.00	1,890.00
10377	00399	VISION SERVICE PLAN	12/01/2015		
	NOV 2015	VISION INSURANCE - NOV 2015			66.61
	NOV 2015	VISION INSURANCE - NOV 2015			78.51
	NOV 2015	VISION INSURANCE - NOV 2015			74.49
	NOV 2015	VISION INSURANCE - NOV 2015			287.52
	NOV 2015	VISION INSURANCE - NOV 2015			8.15
	NOV 2015	VISION INSURANCE - NOV 2015			16.30
			Total for Check Number 10377:	0.00	531.58
10378	00722	SWRCB	12/01/2015		
	0002 2958 540	RENTALS/LEASES/PERMITS			216.09
	0002 3025 043	RENTALS/LEASES/PERMITS			156.43
			Total for Check Number 10378:	0.00	372.52
10379	00722	SWRCB	12/01/2015		
	0002 2896 241	RENTALS/LEASES/PERMITS			1,000.00
			Total for Check Number 10379:	0.00	1,000.00
10380	00722	SWRCB	12/01/2015		
	0002 2755 406	RENTALS/LEASES/PERMITS			168.53
			Total for Check Number 10380:	0.00	168.53
10381	00722	SWRCB	12/01/2015		
	0002 2729 409	RENTALS/LEASES/PERMITS			167.70
			Total for Check Number 10381:	0.00	167.70
10382	00722	SWRCB	12/01/2015		
	0002 2641 716	RENTALS/LEASES/PERMITS			181.75
			Total for Check Number 10382:	0.00	181.75
10383	00722	SWRCB	12/01/2015		
	WD-0111305	RENTALS/LEASES/PERMITS			5,598.00
			Total for Check Number 10383:	0.00	5,598.00
10384	00722	SWRCB	12/01/2015		
	WD-0111328	RENTALS/LEASES/PERMITS			2,088.00
			Total for Check Number 10384:	0.00	2,088.00
10385	00722	SWRCB	12/01/2015		
	LW-1002172	RENTALS/LEASES/PERMITS			4,548.29
			Total for Check Number 10385:	0.00	4,548.29
10386	00722	SWRCB	12/01/2015		
	LW-1002168	RENTALS/LEASES/PERMITS			3,767.05
			Total for Check Number 10386:	0.00	3,767.05
10387	00722	SWRCB	12/01/2015		
	0002 2946 426	RENTALS/LEASES/PERMITS			156.43

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 10387:	0.00	156.43
10388	00145	BATTERIES PLUS	12/04/2015		
	314-290804	GENERATOR BATTERIES REDWOOD PARK			271.85
	314-290820	UPS BATTERY - FINANCE DEPT.-STEPHAN			73.93
	314-291337	WALKI-TALKI BATTERY - TRUCK 338			48.93
			Total for Check Number 10388:	0.00	394.71
10389	00342	BRASS KEY LOCKSMITH	12/04/2015		
	45472	KEYS MADE- TRUCK # 155			54.77
	45473	KEYS MADE- TRUCK # 155			6.51
			Total for Check Number 10389:	0.00	61.28
10390	00560	COSTCO WHOLESALE	12/04/2015		
	589830859	Printer Paper			68.92
	589830859	Pens			12.48
	589830859	Pens			12.80
	589830859	Copy Paper			68.92
	589830859	Wall Calendars x9			114.30
	589830859	Wirless Mouse and Mouse Pad -Chelsea			33.16
	589830859	Printer Paper			68.90
	589830859	Daily Desk Calendar Refill			3.23
	589830859	Wall Calendars x4			50.79
	589830859	Pens			12.87
	589830859	Office Calendar x4			50.79
	589830859	Desk Organizer -Rachel			37.69
	589830859	Desk Calendar x2			13.34
	589830859	Wall Calendar -Holly			25.84
			Total for Check Number 10390:	0.00	574.03
10391	00703	DATAFLOW BUSINESS SYSTEMS, INC	12/04/2015		
	169660	CONTRACT/PROFESSIONAL SERVICES			74.49
	169661	CONTRACT/PROFESSIONAL SERVICES			360.11
			Total for Check Number 10391:	0.00	434.60
10392	00080	GRANITE CONSTRUCTION CO	12/04/2015		
	893173	DRAIN ROCK-MAIN REPAIR-IRWIN			76.97
			Total for Check Number 10392:	0.00	76.97
10393	00784	HD SUPPLY WATERWORKS,LTD	12/04/2015		
	E760744	6014-006			1,028.38
			Total for Check Number 10393:	0.00	1,028.38
10394	00530	JAMES FURTADO	12/04/2015		
	041031	SPECIALTY CLOTHING -- SAFETY SHOES F			173.99
			Total for Check Number 10394:	0.00	173.99
10395	10020	LOYAL ELECTRIC	12/04/2015		
	4753	ADMIN-HV/AC CAP-1516004A			570.00
			Total for Check Number 10395:	0.00	570.00
10396	00313	MET LIFE	12/04/2015		
	DEC 2015	LIFE INSURANCE			16.65

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	DEC 2015	LIFE INSURANCE			8.33
	DEC 2015	DISABILITY BENEFIT			114.96
	DEC 2015	DENTAL INSURANCE			1,762.23
	DEC 2015	DENTAL INSURANCE			414.27
	DEC 2015	DENTAL INSURANCE			108.33
	DEC 2015	DISABILITY BENEFIT			91.24
	DEC 2015	LIFE INSURANCE			63.27
	DEC 2015	DENTAL INSURANCE			415.07
	DEC 2015	DISABILITY BENEFIT			89.88
	DEC 2015	LIFE INSURANCE			41.63
	DEC 2015	DENTAL INSURANCE			59.29
	DEC 2015	DISABILITY BENEFIT			19.34
	DEC 2015	LIFE INSURANCE			61.61
	DEC 2015	DISABILITY BENEFIT			318.25
	DEC 2015	LIFE INSURANCE			203.13
	DEC 2015	DENTAL INSURANCE			709.96
	DEC 2015	DISABILITY BENEFIT			30.27
			Total for Check Number 10396:	0.00	4,527.71
10397	00283 R201	MOUNTAIN MECHANICS RIGHT SIDE MIRROR --TRUCK # 340	12/04/2015		154.49
			Total for Check Number 10397:	0.00	154.49
10398	00944 1147	PDN CONSULTING CONTRACT/PROFESSIONAL SERVICES	12/04/2015		415.00
			Total for Check Number 10398:	0.00	415.00
10399	00263 OCT 2015	RAYNE WATER CONDITIONING RENTALS/LEASES/PERMITS	12/04/2015		31.75
			Total for Check Number 10399:	0.00	31.75
10400	10022 111615	SAN LORENZO VALLEY CHAMBER MEMBERSHIPS & DUES	12/04/2015		50.00
			Total for Check Number 10400:	0.00	50.00
10401	00125 260236 260666	SCARBOROUGH LUMBER BATTERIES FOR SMALL TOOLS MISC. SUPPLIES -BROOM HANDLE, SAW B	12/04/2015		22.17 40.23
			Total for Check Number 10401:	0.00	62.40
10402	10019 151120-1 1511270-1	SCHWARZBACH ASSOCIATES, INC. BUILDING MAINTENANCE BUILDING MAINTENANCE	12/04/2015		1,883.00 700.00
			Total for Check Number 10402:	0.00	2,583.00
10403	01057 40929	SILKE COMMUNICATIONS REPEATER RADIOS	12/04/2015		2,383.06
			Total for Check Number 10403:	0.00	2,383.06
10404	00399 DEC 2015 DEC 2015 DEC 2015 DEC 2015	VISION SERVICE PLAN VISION INSURANCE - DEC 2015 VISION INSURANCE - DEC 2015 VISION INSURANCE - DEC 2015 VISION INSURANCE - DEC 2015	12/04/2015		16.30 74.49 287.52 8.15

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	DEC 2015	VISION INSURANCE - DEC 2015			66.61
	DEC 2015	VISION INSURANCE - DEC 2015			78.51
					<hr/>
Total for Check Number 10404:				0.00	531.58
10405	00545 NOV 2015	AFLAC SUPPLEMENTAL INS - NOV 2015	12/10/2015		515.38
					<hr/>
Total for Check Number 10405:				0.00	515.38
10406	00057 DEC 2015	AFSCME COUNCIL 57 UNION DUES - DEC 2015	12/10/2015		644.16
					<hr/>
Total for Check Number 10406:				0.00	644.16
10407	00162 120215	ANTHEM BLUE CROSS J GREEN - 01/01/2016 - 03/01/2016	12/10/2015		630.14
					<hr/>
Total for Check Number 10407:				0.00	630.14
10408	10023 2974467 2974468	AT & T CAPITAL SERVICES, INC TELEPHONE MAINTENANCE TELEPHONE MAINTENANCE	12/10/2015		396.07 396.07
					<hr/>
Total for Check Number 10408:				0.00	792.14
10409	00309 111115 111115 111115 111515 111515 111915 111915 111915	AT&T IP SERVICES IP SERVICES - ADMIN IP SERVICES - OPS IP SERVICES - ADMIN IP SERVICES - OPS IP SERVICES - OPS IP SERVICES - ADMIN IP SERVICES - OPS IP SERVICES - WTP	12/10/2015		239.50 239.51 239.51 67.00 57.00 287.32 287.32 287.32
					<hr/>
Total for Check Number 10409:				0.00	1,704.48
10410	00686 111315 111315 111315 111315 120815	AT&T LONG DISTANCE LONG DISTANCE - KIRBY LONG DISTANCE - OPS LONG DISTANCE - ADMIN FAX LONG DISTANCE - WTP LONG DISTANCE - FELTON ACRES	12/10/2015		51.87 32.08 15.12 1.94 77.31
					<hr/>
Total for Check Number 10410:				0.00	178.32
10411	00378 100715 102915 102915 102915 102915 102915 102915 102915 102915 102915 102915 102915 102915 102915 102915 102915	BANK OF THE WEST CONTRACT SERVICES CONFERENCES AND MEETINGS - OCT 201: CONFERENCES AND MEETINGS - OCT 201: CONTRACT SERVICES CONFERENCES AND MEETINGS - OCT 201: DUES CONFERENCES AND MEETINGS - OCT 201: CONFERENCE CONFERENCE CONFERENCE CONFERENCES AND MEETINGS - OCT 201: CONFERENCES AND MEETINGS - OCT 201: OFFICE SUPPLIES CONFERENCES AND MEETINGS - OCT 201:	12/10/2015		366.60 285.00 19.32 50.00 80.00 -108.25 175.00 103.30 36.80 103.30 27.58 200.00 2,209.08 13.92

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	102915	DUES			318.00
	102915	CONFERENCES AND MEETINGS - OCT 201:			250.00
	102915	CONFERENCES AND MEETINGS - OCT 201:			279.00
	102915	CONFERENCES AND MEETINGS - OCT 201:			589.00
	102915	CONFERENCES AND MEETINGS - OCT 201:			250.00
	102915	CONFERENCES AND MEETINGS - OCT 201:			170.00
	102915	CONFERENCES AND MEETINGS - OCT 201:			80.00
	110315	CERTIFICATION RENEWAL --HOWARD OLI			50.00
	110415	MEETING			38.98
	110615	CLOUD SERVICE			138.60
	111015	CONFERENCE			384.20
	111115	MEETING			377.12
	111215	CONFERENCE			282.84
	111715	STATE HEALTH INSPECTION			28.21
	111815	STATE HEALTH INSPECTION			83.58
	111915	MEETING			14.06
	112215	OFFICE SUPPLIES			50.00
	112315	FUEL TRANSFER TANKS 30 GAL FUEL TRA			427.26
	112415	MEETING			19.62
	122215	CONTRACT SERVICES			45.27
			Total for Check Number 10411:	0.00	7,437.39
10412	00178	CALPERS	12/10/2015		
	1896	MEDICAL INSURANCE - OPS			17,539.55
	1896	RETIRED EMPLOYEE MEDICAL			613.36
	1896	MEDICAL INSURANCE - WATERSHED			1,640.23
	1896	MEDICAL INSURANCE - ADMIN			2,953.29
	1896	MEDICAL INSURANCE - ENGINEERING			1,308.17
	1896	MEDICAL INSURANCE - FINANCE			5,435.34
	1896	MEDICAL INSURANCE - WATER TREATME			2,969.87
	1896	MEDICAL INSURANCE - DEPENDANT WH			2,130.41
			Total for Check Number 10412:	0.00	34,590.22
10413	00363 DEC 2015	CINCINNATI LIFE INSURANCE CO LIFE INSURANCE	12/10/2015		14.00
			Total for Check Number 10413:	0.00	14.00
10414	01050 4377735-1111282	COLONIAL LIFE LIFE INSURANCE	12/10/2015		416.30
			Total for Check Number 10414:	0.00	416.30
10415	00788 111615 111915 112615	COMCAST INTERNET SERVICE - ORCHARD DR INTERNET SERVICE - 7400 HWY 9 INTERNET SERVICE - KIRBY	12/10/2015		133.92 138.92 138.92
			Total for Check Number 10415:	0.00	411.76
10416	00050 074-142-13	COUNTY OF SANTA CRUZ LIEN RELEASE FEE	12/10/2015		15.00
			Total for Check Number 10416:	0.00	15.00
10417	00058 12060	IHWY, INC. INTERNET SERVICE	12/10/2015		25.00
			Total for Check Number 10417:	0.00	25.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
10418	00662 121015	JAMES A. MUELLER CALPERS MEDICAL	12/10/2015		50.00
				Total for Check Number 10418:	0.00
10419	00099 121015	JOEL BUSA CALPERS MEDICAL	12/10/2015		125.00
				Total for Check Number 10419:	0.00
10420	01077 120915	JOSEPH BEASLEY WORK PANTS--REIMBURSEMENT	12/10/2015		131.81
				Total for Check Number 10420:	0.00
10421	00054 112415 112415 113015 NOV 2015 NOV 2015 NOV 2015 NOV 2015 NOV 2015 NOV 2015 NOV 2015 NOV 2015	PACIFIC GAS & ELECTRIC GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES GAS/ELECTRIC CHARGES	12/10/2015		75.37 126.31 41.93 566.49 434.70 5,064.04 814.01 9,752.13 1,107.93 169.72 4,660.30
				Total for Check Number 10421:	0.00
10422	10004 120915 120915 120915	PETTY CASH - CHELSEA SLADWICK PETTY CASH - SUPPLIES PETTY CASH - MEAL PETTY CASH - SUPPLIES	12/10/2015		6.36 15.00 74.85
				Total for Check Number 10422:	0.00
10423	00100 111715	RICK ROGERS COUNTY PERMIT FEES - REIMBURSEMENT	12/10/2015		377.00
				Total for Check Number 10423:	0.00
10424	10024 012583-000	SISTERS OF NOTRE DE NAMUR CUSTOMER REFUND	12/10/2015		24.51
				Total for Check Number 10424:	0.00
10425	00642 120315	STEVEN M.BUTLER,R.P.F. WATERSHED MAINTENANCE --ROAD MAI	12/10/2015		2,715.55
				Total for Check Number 10425:	0.00
10426	10026 594769	TAMMY ARTIS HOLIDAY WINDOWS - ADMIN	12/10/2015		150.00
				Total for Check Number 10426:	0.00
10427	00011 111315 111315 111315 111315	VERIZON WIRELESS CELL PHONE CHARGES CELL PHONE CHARGES CELL PHONE CHARGES CELL PHONE CHARGES	12/10/2015		658.35 354.86 369.90 85.40

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	111315	CELL PHONE CHARGES			85.40
Total for Check Number 10427:				0.00	1,553.91
Report Total (84 checks):				0.00	181,621.62

CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 12/09/15. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

TRANSACTION DETAIL

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

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		BANK DRAFT AMOUNTS & OTHER TOTALS
12/08/15	WELLS FARGO BANK, NA	xxxxxx1358	Direct Deposit	Net Pay Allocations	39,371.20	39,371.20
12/08/15	WELLS FARGO BANK, NA	xxxxxx1358	Taxpay®	Employee Withholdings		
				Social Security	4,675.11	
				Medicare	1,260.09	
				Fed Income Tax	10,218.82	
				CA Income Tax	3,416.80	
				CA Disability	600.68	
				Total Withholdings	20,171.50	
				Employer Liabilities		
				Social Security	4,675.16	
				Medicare	1,260.07	
				Fed Unemploy	11.46	
				Total Liabilities	5,946.69	26,118.19
				EFT FOR 12/08/15		65,489.39
				TOTAL EFT (Does not reflect administrative charges)		65,489.39

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

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
12/09/15	WELLS FARGO BANK, NA	xxxxxx1358	Payroll	Check Amounts	19,488.23	
				TOTAL NEGOTIABLE CHECKS		19,488.23

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

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
12/09/15	Refer to your records for account	Information	Payroll	Employee Deductions		
				Advance	754.81	
				Aflc/Col Post	44.95	
				Aflc/Col Pre	339.75	
				Calper 457	125.00	
				DPer	5,504.98	
				FSA	192.92	
				Health	1,202.38	
				ICMA	1,085.00	
				Life Ins	14.00	

CASH REQUIREMENTS

THIS REPORT SUMMARIZES YOUR PAYROLL TRANSACTIONS FOR THE CHECK DATE 12/09/15. IT DOES NOT REFLECT MISCELLANEOUS ADMINISTRATIVE CHARGES. PLEASE REFER TO YOUR INVOICE(S) FOR THE TOTAL CASH REQUIRED FOR THIS CHECK DATE.

REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (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>
12/09/15	Refer to your records for account	Information	Payroll	Employee Deductions (cont.)	
				Union dues	342.21
				Total Deductions	9,606.00
TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES (Does not reflect administrative charges)					9,606.00

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

<u>DUE DATE</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>	
12/16/15	Taxpay®	FED IT PMT Group	22,089.25
12/16/15	Taxpay®	CA IT PMT Group	4,017.48

M E M O

TO: Board of Directors
FROM: Finance Manager
SUBJECT: FINANCIAL AUDITS FOR FISCAL YEAR 2014-2015
DATE: December 11, 2015

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, receive the presentation, from the firm Fedak & Brown LLP, and approve the Financial Statements for Fiscal Year 2014-2015. A resolution is attached.

BACKGROUND:

The District is required by state law to annually examine its financial records. The firm has conducted an independent audit of the District's financial records for Fiscal Year 2014-2015. This examination of the District's financial records was conducted in accordance with generally accepted accounting standards and principles. The Financial Statement for Fiscal Year 2014-2015 is transmitted under separate cover. A representative from the firm will be present to address the Board regarding this matter.

The Financial Statement furnishes information concerning the District's financial position and activities for the one (1) year period from July 1, 2014 - June 30, 2015 for all funds:

- Net position decreased 3.4% or \$905,486 to \$25,413,585.
 - Comprised of an increase from operations of \$1,941,785, which was mainly due to \$1.5M in capital contributions from the Prop 50 and Olympia Mutual projects.
 - Offsetting was a decrease from a prior period adjustment in the amount of \$2,847,271. This is due to the implemented GASB 68 & 71 pronouncements. Please see note 3 of the basic financial statements for further discussion.
- Operating revenues decreased 6.2% or \$359,598 to \$5,478,890, primarily due to \$358,049 decrease in water sales revenues related to the effects of the ongoing drought in the State of California.
- Operating expenses increased 7.3% or \$378,570 to \$5,552,334, primarily due to increases in salaries and benefits of \$314,086, professional services of

\$112,049, which was offset by a decrease in other net operating expenses of \$47,565.

This year the District also did a single audit, which was required due to the capital contributions received from the State. Of which we were found to be in compliance with the types of requirements described in the OMB Circular A-133 Compliance Supplement.

SAN LORENZO VALLEY WATER DISTRICT

RESOLUTION NO. 28 (15-16)

SUBJECT: FINANCIAL STATEMENT FOR FISCAL YEAR 2014-2015

WHEREAS, by State law the District is required to annually examine its financial records; and

WHEREAS, each fiscal year the District has the District's financial records audited by an independent firm; and

WHEREAS, the District utilized the services of Charles Z. Fedak & Company Accounting, Cypress, California to conduct an independent audit in accordance with generally accepted accounting principles; and

WHEREAS, Fedak & Brown LLP has completed the Financial Statement for Fiscal Year ending June 30, 2015; and

WHEREAS, the Board of Directors of San Lorenzo Valley Water District has received and reviewed the Financial Statement prepared by Fedak & Brown LLP for the Fiscal Year ending June 30, 2015:

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that the Financial Statement prepared by Fedak & Brown LLP for the Fiscal Year ending June 30, 2015 is hereby approved and accepted.

* * * * *

PASSED AND ADOPTED by the Board of Directors of San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 17th day of December, 2015 by the following vote of the members thereof:

AYES:
NOS:
ABSTAIN:
ABSENT:

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

San Lorenzo Valley Water District
Single-Audit Report
For the Fiscal Year Ended June 30, 2015

DRAFT

**San Lorenzo Valley Water District
Single Audit Report
For the Fiscal Year Ended June 30, 2015**

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DRAFT

**Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Board of Directors of the
San Lorenzo Valley Water District
Boulder Creek, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Lorenzo Valley Water District (District), as of and for the year ended June 30, 2015, and have issued our report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and did not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP
Cypress, California
December 7, 2015

DRAFT

**Independent Auditor's Report on Compliance for Each Major Program and Report
on Internal Control over Compliance Required by OMB Circular A-133**

The Board of Directors of the
San Lorenzo Valley Water District
Boulder Creek, California

Report on Compliance for Each Major Federal Program

We have audited the San Lorenzo Valley Water District (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by OMB Circular A-133, continued

Report on Internal Control over Compliance, continued

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the basic financial statements of the District as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 7, 2015, which contained an unmodified opinion on those basic financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Fedak & Brown LLP
Cypress, California
December 7, 2015

**San Lorenzo Valley Water District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015**

<u>Federal Grantor/Program Title:</u>	<u>Federal CFDA Number</u>	<u>Amount Receivable June 30, 2014</u>	<u>Grant Expenditures</u>	<u>Grant Funds Received by June 30, 2015</u>	<u>Amount Receivable June 30, 2015</u>
Environmental Protection Agency					
Major Program:					
Safe Drinking Water Law of 1997 State Revolving Funds					
Pass through grant from California Department of Public Health					
SRF14CX108	66.424	\$ -	1,618,584	950,695	667,889
Total for CFDA No.	66.424	-	1,618,584	950,695	667,889
Total Federal Awards		\$ -	1,618,584	950,695	667,889

Notes to Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of San Lorenzo Valley Water District (District) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(2) Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements

Statement of Activities:

Program income - Revolving Loan	
Charges for federal award grants	\$ 1,618,584
Total federal awards	1,618,584
Add – Accounts receivable – federal funding – June 30, 2014	-
Less – Accounts receivable – federal funding – June 30, 2015	(667,889)
Federal receipts recognized per Schedule	\$ 950,695

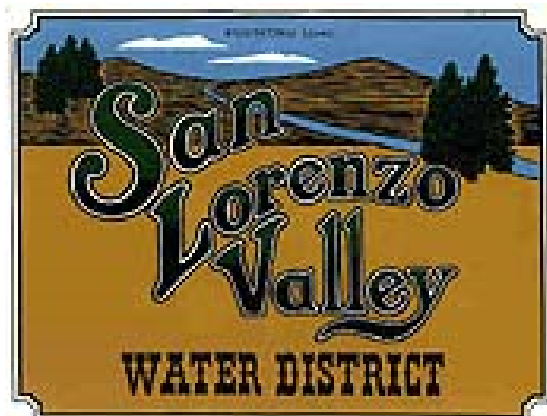
(3) Revolving Loan – Program Income

The District has a funding agreement for a revolving loan program with the California Department of Public Health (State) under the Safe Drinking Water Law of 1997. Under this federal program, repayments to the District are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The funding agreement provides for a total State funding of \$1,904,500, which will consist of a \$1,904,500 loan at 2.5707% interest rate with a repayment term of 20 years.

Total federal awards expended by the District for the year ended June 30, 2015 amounted to \$1,618,584. Of the total, loan funds in the amount of \$950,695 were disbursed to the District for the year and are presented in the schedule. The balance of \$667,889 is still outstanding from the State. The loan repayment shall commence on the due date of the first principal and interest (P&I) invoice from the State and will expire twenty years after the due date of the first P&I invoice.

**San Lorenzo Valley Water District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015**

<i>Section I—Summary of Auditor’s Results</i>	<i>Response</i>
<i>Basic Financial Statements</i>	
Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No
 <i>Federal Awards</i>	
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133:	No
Identification of major programs tested include:	
Environmental Protection Agency	
Safe Drinking Water Law of 1997 – CFDA No. 66.424	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	Yes
 <i>Section II—Financial Statement Findings</i>	
No matters were reported.	
 <i>Section III—Federal Award Findings and Questioned Costs</i>	
No matters were reported.	
 <i>Section IV—Prior Year Findings and Questioned Costs</i>	
No matters were reported.	



San Lorenzo Valley Water District
Annual Financial Report
June 30, 2015



Mission Statement

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

**San Lorenzo Valley Water District
Board of Directors as of June 30, 2015**

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Term Expires</u>
Margaret Bruce	President	Elected	December 2016
Randall Brown	Vice President	Elected	December 2016
Eric Hammer	Director	Elected	December 2018
Gene Ratcliffe	Director	Elected	December 2018
Charles Baughman	Director	Elected	December 2018

**Brian Lee, District Manager
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, California 95006
(831) 338-2153 – www.slvwd.com**

San Lorenzo Valley Water District

Annual Financial Report

For the Year Ended June 30, 2015

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**San Lorenzo Valley Water District
Annual Financial Report
For the Year Ended June 30, 2015**

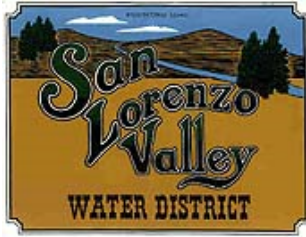
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Introductory Section

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December 7, 2015

Board of Directors
San Lorenzo Valley Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the San Lorenzo Valley Water District for the fiscal year ended June 30, 2015, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. The report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

District Structure and Leadership

The San Lorenzo Valley Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The San Lorenzo Valley Water District has been providing services to the residents within the district's boundaries since 1941. The District is governed by a five-member Board of Directors, elected at-large from within the District's service area. The District Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The San Lorenzo Valley Water District employs a full-time staff of 26 employees. The District's Board of Directors meets on the first and third Thursday of each month. Meetings are publicly noticed and citizens are encouraged to attend.

The District provides water, sewer or a combination of both services to residents and businesses within its service area. The service area lies within the unincorporated towns of Boulder Creek, Brookdale, Ben Lomond, Felton, and the City of Scotts Valley. The District's boundaries comprise approximately 58 square miles. The District currently provides service to approximately 7,400 residential, commercial, and institutional connections.

Economic Condition and Outlook

The District's administrative offices are located in the Town of Boulder Creek in Santa Cruz County. The economic outlook for the area is one of cautious growth as the regional economy recovers from prolonged recessionary pressures.

California's water supply continues to be a concern due to prolonged drought conditions, projected population increases, and a decrease in water-in-storage levels. This concern has increased interest in conservation and in irrigation methods and systems.

Major Initiatives

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

1. To supply clean, wholesome water to the community and provide water for the future.
2. To plan, construct, operate, maintain and upgrade the water system facilities to adequately serve customer needs.
3. To utilize the District's financial resources in an effective, responsible, and prudent manner.
4. To provide quality customer service for District customers.
5. To inform, educate, and communicate to the community on District and water issues.
6. To review and maintain a plan to be proactive in preventative maintenance of the District's water and sewer systems.

All programs and operations of the District are developed and performed to provide the highest level of services to its customers.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District Board of Directors adopts an operating and capital budget every year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the “prudent person” standards. The objectives of the Investment Policy are safety, liquidity and yield.

Water and Sewer Rates and District Revenues

District policy direction ensures that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding. Accordingly, water and sewer rates are reviewed periodically. Water rates are user charges imposed on customers for services and are the primary component of the District’s revenue. Water rates are composed of a commodity (usage) charge and a fixed (readiness-to-serve) charge.

Water Conservation Programs

The District has implemented conservation management practices. District staff participates in community events and distributes materials to encourage water conservation. The District offers the following conservation programs:

Voluntary Water Conservation Program
Hi-Efficiency Washers Program
Drip Irrigation System
“Lose Your Lawn” Rebate

Greywater Irrigation System
Toilet Retrofit
Hot Water Circulation

Audit and Financial Reporting

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Fedak & Brown LLP has conducted the audit of the District’s financial statements. Their unmodified Independent Auditor’s Report appears in the Financial Section.

Risk Management

The District is a member of the Special District Risk Management Authority (Authority). The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

Other References

More information is contained in the Management’s Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors and especially the Finance Committee members for their continued support in planning and implementation of the San Lorenzo Valley Water District’s fiscal policies.

Respectfully submitted,

Brian Lee
District Manager

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Financial Section

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Independent Auditor's Report

Board of Directors
San Lorenzo Valley Water District
Boulder Creek, California

Report on the Financial Statements

We have audited the accompanying financial statements of the San Lorenzo Valley Water District (District), which comprises the statement of net position as of June 30, 2015, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the San Lorenzo Valley Water District as of June 30, 2015, and the respective changes in net position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Emphasis of matter

As described in Note 1.C to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11 and the required supplementary information on pages 40 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section on pages 1 through 3, and the supplemental information schedules on pages 43 through 46, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Independent Auditor's Report, continued

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance. This report can be found on pages 47 and 48.

Fedak & Brown LLP
Cypress, California
December 7, 2015

San Lorenzo Valley Water District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Lorenzo Valley Water District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2015 (with comparative information for fiscal year ended June 30, 2014). We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2015, the District's net position decreased 3.4% or \$905,486 to \$25,413,585, which is comprised of an increase from operations of \$1,941,785 and a decrease from a prior period adjustment in the amount of \$2,847,271. Please see note 3 of the basic financial statements for further discussion.
- In 2015, the District's operating revenues decreased 6.2% or \$359,598 to \$5,478,890, primarily due to a \$358,049 decrease in water sales revenues related to the effects of the ongoing drought in the State of California.
- In 2015, the District's non-operating revenues increased 89% or \$457,859 to \$972,221, primarily due to a \$284,120 increase in property tax revenues and a \$145,257 increase in reimbursements related to a settlement agreement with Manana Woods Mutual Water Company.
- In 2015, the District's operating expenses increased 7.3% or \$378,570 to \$5,552,334, primarily due to increases in salaries and benefits of \$314,086, professional services of \$112,049, which was offset by a decrease in other net operating expenses of \$47,565.
- In 2015, the District's non-operating expenses decreased 4.9% or \$6,731, primarily due to an \$167,663 decrease in interest expense that was offset by a \$160,932 decrease in investment earnings.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The District's statements consist of two funds, the Water Fund and the Sewer Fund. The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water and sewer to the customers of the District are financed primarily through user charges.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

San Lorenzo Valley Water District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position – the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 18 through 39.

Condensed Statements of Net Position

Condensed Statements of Net Position			
	2015	2014	Change
Assets:			
Current assets	\$ 7,143,896	4,781,369	2,362,527
Non-current assets	102,252	3,728,460	(3,626,208)
Capital assets	30,525,596	25,398,866	5,126,730
Total assets	37,771,744	33,908,695	3,863,049
Deferred outflows of resources	238,829	-	238,829
Liabilities:			
Current liabilities	2,454,229	1,451,417	1,002,812
Non-current liabilities	9,367,422	6,138,207	3,229,215
Total liabilities	11,821,651	7,589,624	4,232,027
Deferred inflows of resources	775,337	-	775,337
Net position:			
Net investment in capital assets	23,227,784	18,981,706	4,246,078
Restricted	229,790	168,185	61,605
Unrestricted	1,956,011	7,169,180	(5,213,169)
Total net position	\$ 25,413,585	26,319,071	(905,486)

San Lorenzo Valley Water District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

Condensed Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$25,413,585 as of June 30, 2015. Compared to prior year, net position of the District decreased 3.44% or \$905,486. The District's total net position is made up of three components: (1) net investment in capital assets; (2) restricted net position; (3) unrestricted net position.

By far the largest portion of the District's net position (91% as of June 30, 2015) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending. See Note 13 for further information.

At the end of fiscal year 2015, the District showed a positive balance in its unrestricted net position of \$1,956,011. See Note 15 for the amount of spendable net position that may be utilized in future years.

Statement of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 5,478,890	5,838,488	(359,598)
Non-operating revenues	972,221	514,362	457,859
Total revenues	<u>6,451,111</u>	<u>6,352,850</u>	<u>98,261</u>
Expenses:			
Operating expenses	5,552,334	5,173,764	378,570
Non-operating expenses	129,759	136,490	(6,731)
Overhead absorption	(24,644)	(132,347)	(156,991)
Depreciation	1,139,110	1,172,504	(33,394)
Total expenses	<u>6,796,559</u>	<u>6,350,411</u>	<u>446,148</u>
Net income (loss) before capital contributions	<u>(345,448)</u>	<u>2,439</u>	<u>(347,887)</u>
Capital contributions	<u>2,287,233</u>	<u>753,600</u>	<u>1,533,633</u>
Change in net position	<u>1,941,785</u>	<u>756,039</u>	<u>1,185,746</u>
Net position, beginning of period, as previously stated	26,319,071	25,563,032	756,039
Prior period adjustment (note 3)	<u>(2,847,271)</u>	<u>-</u>	<u>-</u>
Net position, end of period, as restated	<u>23,471,800</u>	<u>25,563,032</u>	<u>756,039</u>
Net position – end of period	<u>\$ 25,413,585</u>	<u>26,319,071</u>	<u>(905,486)</u>

San Lorenzo Valley Water District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

Statement of Revenues, Expenses and Changes in Net Position, continued

The statement of revenues, expenses and changes of net position show how the District's net position changed during the fiscal years. In the case of the District, net position decreased \$905,486 for the fiscal year ended June 30, 2015.

A closer examination of the sources of changes in net position reveals that:

Net position decreased 3.4% or \$905,486 to \$25,413,585, which is comprised of an increase from operations of \$1,941,785 and a decrease from a prior period adjustment in the amount of \$2,847,271. Please see note 3 of the basic financial statements for further discussion.

Total operating revenues decreased 6.2% or \$359,598 to \$5,478,890, primarily due to a \$358,049 decrease in water sales revenues related to the effects of the ongoing drought in the State of California.

Total non-operating revenues increased 89% or \$457,859 to \$972,221, primarily due to a \$284,120 increase in property tax revenues and a \$145,257 increase in reimbursements related to a settlement agreement with Manana Woods Mutual Water Company.

Total operating expenses increased 7.3% or \$378,570 to \$5,552,334, primarily due to increases in salaries and benefits of \$314,086, professional services of \$112,049, which was offset by a decrease in other net operating expenses of \$47,565.

Total non-operating expenses decreased 4.9% or \$6,731, primarily due to an \$167,663 decrease in interest expense that was offset by a \$160,932 decrease in investment earnings.

Capital Asset Administration

At the end of fiscal year 2015, the District's investment in capital assets amounted to \$30,525,596 (net of accumulated depreciation). This investment in capital assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, vehicles and construction-in-process, etc. Major capital assets additions during the year included upgrades to the District's transmission and distribution system. See Note 7 for further capital asset information.

Change in capital assets amounts for 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Transfers/ Disposals</u>	<u>Balance 2015</u>
Capital assets:				
Non-depreciable assets	\$ 8,301,569	6,451,319	(773,461)	13,979,427
Depreciable assets	40,741,810	687,323	(45,558)	41,383,575
Accumulated depreciation	<u>(23,743,854)</u>	<u>(1,139,110)</u>	<u>45,558</u>	<u>(24,837,406)</u>
Total capital assets	<u>\$ 25,299,525</u>	<u>5,999,532</u>	<u>(773,461)</u>	<u>30,525,596</u>

San Lorenzo Valley Water District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
With Comparative Amounts as of June 30, 2014

Debt Administration

Changes in long-term debt amounts for the year ended June 30, 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2015</u>
Long-term debt:				
Loans payable	\$ 2,073,045	1,618,584	(137,499)	3,554,130
Bonds payable	<u>4,344,115</u>	<u>-</u>	<u>(600,433)</u>	<u>3,743,682</u>
Total long-term debt	<u>\$ 6,417,160</u>	<u>1,618,584</u>	<u>(737,932)</u>	<u>7,297,812</u>

See Note 10 for further long-term debt service information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions at June 30, 2015, that would have a significant impact on the District's financial position, net position, or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Finance Manager, Stephanie Hill at San Lorenzo Valley Water District, 13060 Highway 9 Boulder Creek, California 95006 or (831) 430-4620.

Basic Financial Statements

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San Lorenzo Valley Water District
Statement of Net Position
June 30, 2015

	2015
Current assets:	
Cash & cash equivalents (note 2)	\$ 2,844,867
Cash & cash equivalents – restricted (note 2 and 14)	229,790
Accrued interest receivable	3,984
Investments (note 2)	686,198
Accounts receivable – water sales and services	353,681
Accounts receivable – property taxes	2,684
Accounts receivable – settlement agreement (note 4)	36,392
Accounts receivable – grant and loan receivable (note 5)	2,660,264
Accounts receivable – other	51,951
Prepaid expenses	49,670
Materials and supplies inventory	224,415
Total current assets	7,143,896
Non-current assets:	
Investments (note 2)	102,252
Capital assets – not being depreciated (note 7)	13,979,427
Capital assets – being depreciated (note 7)	16,546,169
Total non-current assets	30,627,848
Total assets	37,771,744
Deferred outflows of resources:	
Deferred pension outflows (note 6 and 11)	238,829
Total deferred outflows of resources	\$ 238,829

Continued on next page

See accompanying notes to the basic financial statements

**San Lorenzo Valley Water District
Statement of Net Position, continued
June 30, 2015**

Current liabilities:

Accounts payable and accrued expense	\$	1,143,361
Accrued wages and related payables		169,301
Unearned revenues – customer deposits		63,285
Unearned revenues – construction deposits		117,606
Accrued interest payable		32,318
Long-term liabilities – due in one year:		
Compensated absences (note 8)		171,227
Loans payable (note 10)		140,780
Bonds payable (note 10)		616,350
Total current liabilities		2,454,228

Non-current liabilities:

Long-term liabilities – due in more than one year:		
Compensated absences (note 8)		304,404
Other post-employment benefits payable (note 9)		214,707
Net pension liability (note 11)		2,307,630
Loans payable (note 10)		3,413,350
Bonds payable (note 10)		3,127,332
Total non-current liabilities		9,367,423

Total liabilities

11,821,651

Deferred inflows of resources:

Deferred pension inflows (note 11)	775,337
------------------------------------	---------

Total deferred inflows of resources

775,337

Net position:

Net investment in capital assets (note 13)	23,227,784
Restricted for debt service (note 14)	229,790
Unrestricted (note 15)	1,956,011

Total net position

\$ 25,413,585

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	2015
Operating revenues:	
Water consumption sales	\$ 5,237,534
Wastewater service	100,088
Charges and penalties	99,066
Other charges and services	42,202
Total operating revenues	5,478,890
Operating expenses:	
Salaries and benefits	3,428,414
Professional services	764,684
Materials and supplies	157,392
Vehicle and equipment maintenance	111,084
Building maintenance	39,433
Repairs	20,010
Collection fees and charges	53,443
Utilities and telephone	495,691
Insurance	54,488
Rentals and permits	127,673
Travel, meals and conferences	16,171
Auto allowance	1,276
Office expenses	282,575
Total operating expenses	5,552,334
Operating loss before overhead absorption	(73,444)
Overhead absorption	24,644
Operating loss before depreciation expense	(48,800)
Depreciation expense	(1,139,110)
Operating loss	\$ (1,187,910)

Continued on next page

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Statement of Revenues, Expenses and Changes in Net Position, continued
For the Year Ended June 30, 2015

Non-operating revenues (expenses):	
Property tax revenues	\$ 762,752
Realized loss on investments	(1,909)
Rental revenue	29,713
Interest expense	(127,850)
Gain on disposition of capital assets	34,499
Settlement and purchase agreements	<u>145,257</u>
Total non-operating revenues, net	<u>842,462</u>
Net loss before capital contributions	<u>(345,448)</u>
Capital contributions:	
Capital grants – other governments	<u>2,287,233</u>
Total capital contributions	<u>2,287,233</u>
Change in net position	<u>1,941,785</u>
Net position, beginning of period, as restated (note 3)	<u>23,471,800</u>
Net position, end of period	<u><u>\$ 25,413,585</u></u>

See accompanying notes to the basic financial statements

**San Lorenzo Valley Water District
Statement of Cash Flows
For the Year Ended June 30, 2015**

	2015
Cash flows from operating activities:	
Cash receipts from customers for sales and services	\$ 5,673,401
Cash paid to employees for salaries and wages	(2,100,713)
Cash paid to vendors and suppliers for materials and services	(2,133,294)
Net cash provided by operating activities	1,439,394
Cash flows from non-capital financing activities:	
Proceeds from property taxes	782,670
Proceeds from rental revenue	29,713
Net cash provided by non-capital financing activities	812,383
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(6,370,001)
Proceeds from capital contributions	1,048,458
Proceeds from long-term debt	950,695
Principal paid on long-term debt	(737,932)
Interest paid on long-term debt	(158,707)
Net cash used in capital and related financing activities:	(5,267,487)
Cash flows from investing activities:	
Proceeds from sale of investments	3,619,487
Proceeds from investment earnings	11,061
Net cash provided by investing activities	3,630,548
Net increase in cash and cash equivalents	614,838
Cash and cash equivalents, beginning of year	2,459,819
Cash and cash equivalents, end of year	\$ 3,074,657
Reconciliation of cash and cash equivalents to statement of net position:	
Cash and cash equivalents	\$ 2,844,867
Cash and cash equivalents – restricted	229,790
Total cash and cash equivalents	\$ 3,074,657

Continued on next page

See accompanying notes to the basic financial statements

**San Lorenzo Valley Water District
Statement of Cash Flows, continued
For the Year Ended June 30, 2015**

	2015
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (1,187,910)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	1,139,110
Gain on disposal of capital assets	(34,499)
Other non-operating revenues, net	(159,242)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
(Increase) decrease in assets:	
Accounts receivable – water sales and services, net	39,883
Accounts receivable – settlement agreement	172,162
Accounts receivable – other	16,965
Prepaid expenses	(49,670)
Materials and supplies inventory	(46,532)
Decrease in deferred outflows of resources	238,829
Increase (decrease) in liabilities:	
Accounts payable and accrued expense	845,977
Accrued wages and related payables	142,331
Unearned revenues – customer deposits	21,077
Unearned revenues – construction deposits	(28,810)
Compensated absences	74,808
Other post-employment benefits	19,219
Net pension liability	(539,641)
Increase in deferred inflows of resources	775,337
Total adjustments	2,627,304
Net cash provided by operating activities	\$ 1,439,394

See accompanying notes to the basic financial statements

**San Lorenzo Valley Water District
Notes to the Financial Statements
For the Year Ended June 30, 2015**

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The San Lorenzo Valley Water District is an independent special district established in 1941, pursuant to Section 30,000 et seq. of the California Water Code for the purpose of developing and providing water for domestic use, fire protection, and recreation in the San Lorenzo Valley. Additionally, the District provides sewer service to the Bear Creek Estates area within the District. The District utilizes separate Water and a Sewer funds to account for District operations. The District is governed by a five member Board of Directors elected by the voters in the area to four-year terms. The District provides water and sewer service to approximately 7,400 customers within its service area.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water and sewer services to its customers on a continuing basis be financed or recovered primarily through user charges (water and sewer service fees). Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues, such as water and sewer fees, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as property taxes and investment income, result from non-exchange transactions, in which, the District gives (receives) value without directly receiving (giving) value in exchange.

The District recognizes revenue from water and sewer service charges based on cycle billings performed every month. The District accrues revenues with respect to water and sewer service sold but not billed at the end of a fiscal period.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund. Standards applicable to governmental entities that use proprietary fund include:

Government Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the District implemented Government Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*. The requirements of this statement are effective for the financial statement periods beginning after June 15, 2014.

GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision – useful information, supporting assessments of accountability and inter-period equity and creating additional transparency.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Government Accounting Standards Board Statement No. 68, continued

GASB 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

Government Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the District implemented Government Accounting Standards Board Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The requirements of this statement are effective for the financial statement periods beginning after June 15, 2014. The provisions of this Statement are applied simultaneously with the provisions of GASB Statement No. 68.

GASB 71 improves accounting and financial reporting by addressing the issue in GASB 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation by employers and non-employer contributing entities. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

5. Property Taxes and Assessments

The Santa Cruz County Assessor's Office assesses all real and personal property within the County each year. The Santa Cruz Tax Collector's Offices bills and collects the District's share of property taxes and assessments. The Santa Cruz County Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the Santa Cruz County which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

6. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

7. Prepaid Expenses

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

8. Prepaid Connection Fees

Connection fees are collected by the District to cover the cost of service connections within the District. Funds in excess of connection costs are refunded to the customer.

9. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Transmission and distribution mains – 33 to 50 years
- Buildings – 33 years
- Transportation and other equipment – 10 years
- Computer and office equipment – 5 years

10. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources that is applicable to future periods.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

11. Compensated Absences

The District's policy is to permit employees to accumulate earned vacation and sick leave. The liability for vested vacation and sick leave is recorded as an expense when earned.

Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave except for those employees that have not completed the probationary period.

12. Construction Advances and Deposits

Construction deposits are collected by the District to cover the cost of construction projects within the District. Funds in excess of project costs are refunded to the customer.

13. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources that is applicable to future periods.

14. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2013
- Measurement Date: June 30, 2014
- Measurement Period: July 1, 2013 to June 30, 2014

15. Water and Sewer Sales

The District recognizes water and sewer services charges based on cycle billings rendered to the customers each month.

16. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

17. Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

18. Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- **Restricted Net position** – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net position** – This component of net position consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

(2) Cash and Investments

Cash and investments as of June 30, are classified in the accompanying financial statements as follows:

	2015
Cash and cash equivalents	\$ 2,844,867
Cash and cash equivalents – restricted	229,790
Investments – current	686,198
Investments – non current	102,252
Total cash and investments	\$ 3,863,107

Cash and investments as of June 30, consist of the following:

	2015
Cash on hand	\$ 350
Deposits with financial institutions	2,841,166
Investments	1,021,591
Total cash and investments	\$ 3,863,107

As of June 30, the District's authorized deposits had the following maturities:

	2015
Deposits held with the California Local Agency Investment Fund	239 days

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(2) Cash and Investments, continued

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Portfolio Diversification

Pursuant to California Government Code Section 53601 (i), certificates of deposit invested outside of an authorized pool shall not exceed thirty percent (30%) of the District's total investment portfolio. The District's current investments in certificates of deposit exceed this limitation. It is the District's intent to move toward compliance with this limitation. At June 30, 2015, the District held 52.1% or \$532,224, of its investment portfolio in certificates of deposit.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits, or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(2) Cash and Investments, continued

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations. Information about the sensitivity of fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Maturities of investments at June 30, 2015, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>61 and Thereafter</u>
Certificates of deposit	\$ 532,224	429,972	102,252	-	-
Local Agency Investment Fund	3,351	3,351	-	-	-
State and local bonds, notes and warrants	256,226	256,226	-	-	-
Held by bond trustee:					
Money market funds	229,790	229,790	-	-	-
Total	\$ 1,021,591	919,339	102,252	-	-

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2015, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>	
				<u>AA+</u>	<u>Not Rated</u>
Certificates of deposit	\$ 532,224	N/A	-	-	532,224
Local Agency Investment Fund	3,351	N/A	-	-	3,351
State and local bonds, notes and warrants	256,226	N/A	-	-	256,226
Held by bond trustee:					
Money market funds	229,790	AAA	229,790	-	-
Total	\$ 1,021,591		229,790	-	791,801

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(2) Cash and Investments, continued

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District's investments at June 30, 2015.

(3) Prior Period Adjustment

In fiscal year 2015, the District implemented GASB pronouncements 68 and 71 to recognize its proportionate share of the net pension liability.

As a result of the implementation, the District recognized the pension liability and recorded a net prior period adjustment in the amount of \$2,847,271 to decrease the proprietary activities' beginning net position as of July 1, 2014.

The adjustment to net position is as follows:

Net position at July 1, 2014, as previously stated	\$	26,319,071
Effect of adjustment to record net pension liability		(3,159,197)
Effect of adjustment to record deferred pension outflows		311,926
Total adjustments		<u>(2,847,271)</u>
Net position at July 1, 2014, as restated	\$	<u><u>23,471,800</u></u>

(4) Accounts Receivable – Settlement Agreement

In September 2010, the District entered into a third party escrow agreement with Manana Woods Mutual Water Company (Manana Woods) for reimbursement of operating and maintenance costs of their water treatment system at the Manana Woods well pursuant to the Annexation Agreement entered into by and among the District, Manana Woods and the Oil Companies. Amounts receivable were 36,392 for the year ended June 30, 2015. Total reimbursement revenue was \$145,257 for the year ended June 30, 2015.

(5) Accounts Receivable – Grant and Loan Receivable

The balance at June 30, consists of the following:

		<u>2015</u>
Scotts Valley Water District	\$	1,992,375
California Department of Public Health		<u>667,889</u>
Accounts receivable – grant and loan receivable	\$	<u><u>2,660,264</u></u>

In November 2013, the District was involved with various System Intertie Projects with Scotts Valley Water District (Scotts Valley) pursuant to the latter's funding agreement with the State of California's Department of Public Health ("State") under the provisions of the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, Division 26.5 of the Water Code. Total receivable from Scotts Valley were \$1,992,375 for the year ended June 30, 2015.

In June 2014, the District was awarded federal pass through grant funding from the State of California in the form of Safe Drinking Water State Revolving Fund financing. The financing is designed to assist the District in meeting safe drinking water standards for domestic water supplies. Total project cost is estimated to be \$1,904,500. As of June 30, 2015, the District has submitted \$667,889 for reimbursement and is shown as a receivable on these financial statements. Please see note 10 for further discussion.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(6) Deferred Outflows of Resources

Changes in deferred outflows of resources for 2015, were as follows:

	<u>Balance 2014</u>	<u>Additions</u>	<u>Transfers</u>	<u>Amortization</u>	<u>Balance 2015</u>
Deferred outflows of resources:					
Pension contributions, 2014	\$ 311,926	-	(311,926)	-	-
Pension contributions, 2015	-	223,328	-	-	223,328
Adjustment due to differences in proportion of net pension liability	-	21,037	-	(5,536)	15,501
Total deferred outflows of resources	<u>\$ 311,926</u>	<u>244,365</u>	<u>(311,926)</u>	<u>(5,536)</u>	<u>238,829</u>

(7) Capital assets

In 2015, major capital assets additions include upgrades as follows: water transmission and distribution systems \$396,882, transportation equipment \$130,090, field and shop equipment \$128,579, office equipment \$31,772.

	<u>Balance 2014</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2015</u>
Non-depreciable assets:				
Land	\$ 5,599,442	-	(526,679)	5,072,763
Construction-in process	<u>2,702,127</u>	<u>6,451,319</u>	<u>(246,782)</u>	<u>8,906,664</u>
Total non-depreciable assets	<u>8,301,569</u>	<u>6,451,319</u>	<u>(773,461)</u>	<u>13,979,427</u>
Depreciable assets:				
Water transmission and distribution	34,335,364	396,882	-	34,732,246
Wastewater system	1,447,521	-	-	1,447,521
Buildings and structures	2,904,194	-	-	2,904,194
Transportation equipment	828,383	130,090	(45,558)	912,915
Field and shop equipment	739,131	128,579	-	867,710
Office equipment	<u>487,217</u>	<u>31,772</u>	-	<u>518,989</u>
Total depreciable assets	<u>40,741,810</u>	<u>687,323</u>	<u>(45,558)</u>	<u>41,383,575</u>
Accumulated depreciation:				-
Water transmission and distribution	(19,910,841)	(909,332)	-	(20,820,173)
Wastewater system	(907,212)	(41,772)	-	(948,984)
Buildings and structures	(1,139,453)	(95,667)	-	(1,235,120)
Transportation equipment	(731,847)	(41,890)	45,558	(728,179)
Field and shop equipment	(601,264)	(38,319)	-	(639,583)
Office equipment	<u>(453,237)</u>	<u>(12,130)</u>	-	<u>(465,367)</u>
Total accumulated depreciation	<u>(23,743,854)</u>	<u>(1,139,110)</u>	<u>45,558</u>	<u>(24,837,406)</u>
Total depreciable assets, net	<u>16,997,956</u>	<u>(451,787)</u>	-	<u>16,546,169</u>
Total capital assets, net	<u>\$ 25,299,525</u>	<u>5,999,532</u>	<u>(773,461)</u>	<u>30,525,596</u>

Construction-In-Process

The District is involved in various construction projects throughout the year. Once completed, projects are capitalized and depreciated over the life of the asset. Additions to construction in process during the year amounted to \$6,451,319 consisted of Intertie Projects \$3,688,546, Olympia Mutual Project \$1,618,584, Proposition 50 Project \$780,492 and various miscellaneous projects \$363,697. The balance of construction-in-process was \$8,906,664 at June 30, 2015.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(8) Compensated Absences

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually.

Changes in compensated absences for the year ended June 30, are as follows:

<u>Balance</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2015</u>	<u>Due within</u> <u>One Year</u>	<u>Due in more</u> <u>than one year</u>
\$ 400,823	138,787	(63,979)	475,631	171,227	304,404

(9) Other Post-Employment Benefits Payable

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District's vesting requirements. During the fiscal year ended June 30, 2009, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post-employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth on the following page.

Plan Description – Eligibility

Employees are eligible for post-employment benefits when they retire from the District on or after attaining age 55 with at least 5 years of service under CalPERS. Based on the length of service, the District will pay the retired members' health insurance premiums based on the schedule below.

District contributions to retiree healthcare premiums are as follows:

	<u>Per Month</u>
Less than 15 years of service	\$ 150
15 to 24 years of service	200
25 + years of service	250

Membership in the OPEB plan consisted of the following members as of June 30:

	<u>2015</u>
Active plan members	26
Retirees and beneficiaries receiving benefits	3
Separated plan members entitled to but not yet receiving benefits	-
Total plan membership	<u>29</u>

Plan Description – Benefits

The District offers post-employment medical and dental benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the District's medical and dental programs. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(9) Other Post-Employment Benefits Payable, continued

Funding Policy

The District is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 1.54% of the annual covered payroll.

Annual Cost

For the year ended June 30, 2015, the District's ARC cost is \$34,446. The District's net OPEB payable obligation amounted to \$214,707 for the year ended June 30, 2015. The District contributed \$11,741 in age adjusted contributions for current retiree OPEB premiums for the year ended June 30, 2015.

The balance at June 30, consists of the following:

	<u>2015</u>
Annual OPEB expense:	
Annual required contribution (ARC)	\$ 34,446
Interest on net OPEB obligation	7,820
Adjustment to annual required contribution	<u>(11,306)</u>
Total annual OPEB expense	30,960
Change in net OPEB payable obligation:	
Age adjusted contributions made	<u>(11,741)</u>
Total change in net OPEB payable obligation	19,219
OPEB payable – beginning of period	<u>195,488</u>
OPEB payable – end of period	<u><u>\$ 214,707</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 and two preceding years are as follows:

Three-Year History of Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Payable
2015	\$ 30,960	11,741	37.92%	\$ 214,707
2014	40,973	8,656	21.13%	195,488
2013	39,907	13,265	33.24%	163,171

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(9) Other Post-Employment Benefits Payable, continued

Funded Status and Funding Progress of the Plan

The most recent valuation (dated July 1, 2012) includes an Actuarial Accrued Liability of \$451,717 and an Unfunded Actuarial Accrued Liability of \$315,188. The covered payroll (annual payroll of active employees covered by the plan) was \$2,233,145. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 14.11%.

See the Schedule of Funding Status of the District's Other Post-Employment Benefits Obligation in the Required Supplementary Information on Page 40.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

Valuation date	July 1, 2012
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll, open
Amortization period	Open
Average remaining amortization period	30 years as of the valuation date
Asset valuation method	15 year smoothed market
Actuarial assumptions:	
Discount rate	4.0%
Individual salary growth	District annual COLA

(10) Long-Term Debt

Changes in long-term debt for the year ended June 30, are as follows:

	Balance			Balance
	2014	Additions	Payments	2015
Loans payable:				
Felton Safe Drinking Water Loan	\$ 2,073,045	-	(137,499)	1,935,546
State of California Revolving Fund Loan	-	1,618,584	-	1,618,584
Total loans payable	<u>2,073,045</u>	<u>1,618,584</u>	<u>(137,499)</u>	<u>3,554,130</u>
Bonds payable				
Bank of Nevada Refunding Bond	4,344,115	-	(600,433)	3,743,682
Total bonds payable	<u>4,344,115</u>	<u>-</u>	<u>(600,433)</u>	<u>3,743,682</u>
Total long-term debt payable	6,417,160	<u>1,618,584</u>	<u>(737,932)</u>	7,297,812
Less: current portion	<u>(737,932)</u>			<u>(757,130)</u>
Long-term portion \$	<u>5,679,228</u>			<u>6,540,682</u>

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(10) Long-Term Debt, continued

Felton Safe Drinking Water Loan

In fiscal year 2009, the District purchased the Felton water system and assumed Felton's California Safe Drinking Water Loan with a fixed rate of 2.42%, maturing on June 30, 2027. The District will make semi-annual payments of \$93,399 including principal and interest on July 1st and January 1st each year.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 140,780	46,017	186,797
2017	144,327	42,471	186,798
2018	147,777	39,021	186,798
2019	151,371	35,427	186,798
2020	155,010	31,788	186,798
2021-2025	833,729	100,257	933,986
2026-2027	362,552	11,040	373,592
Total	1,935,546	306,021	2,241,567
Less: current portion	(140,780)		
Long-term portion \$	<u>1,794,766</u>		

Bank of Nevada Refunding Bond

On March 22, 2012, the District entered into a refunding bond agreement with Bank of Nevada at a rate of 2.6% in order to pay off several other previously held loans. The District makes semi-annual payments of \$354,855, including principal and interest on September 1st and March 1st. Final maturity is September 1, 2021.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 616,350	93,360	709,710
2017	632,479	77,231	709,710
2018	649,030	60,680	709,710
2019	666,015	43,695	709,710
2020	582,031	26,267	608,298
2021-2022	597,777	13,699	611,476
Total	3,743,682	314,932	4,058,614
Less: current portion	(616,350)		
Long-term portion \$	<u>3,127,332</u>		

State of California Revolving Fund Loan

On June 30, 2014, the District entered into a grant funding agreement with California Department of Public Health ("State") for a construction loan and grant under the Safe Drinking Water State Revolving Fund Law of 1997 ("Revolving Fund Law"). Grants under the Revolving Fund Law are pursuant with the Operating Agreement between the State of California and the U.S. Environmental Protection Agency. Since the grant that was received by the District originated from a Federal Agency, it is considered a Federal Award. The use of the loan proceeds under the State Revolving Fund Law requires a single audit, which is in a separate report. The funding agreement provides for a total State funding of \$1,904,500, which will consist of a \$1,904,500 loan at 2.5707% interest rate with a loan repayment term of 20 years.

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(10) Long-Term Debt, continued

State of California Revolving Fund Loan, continued

The loan repayment term shall commence on the due date of the first P&I invoice and will expire twenty years after the due date of the first P&I invoice. Total federal award expended for the year ended June 30, 2015 amounted to \$1,618,584 and is reported as loan payable. Of the total amount, the District received \$950,695 as loan proceeds during the year. The balance of \$667,889 is reported under Accounts receivable – grant and capital contributions in the Statement of Net Position.

(11) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District’s separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

Benefits provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired after January 1, 2013 are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plans’ provision and benefits in effect at June 30, 2015 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
	Prior to January 1, 2011	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	11.032%	6.25%

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(11) Defined Benefit Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan was as follows:

	Miscellaneous
Contributions – employer	\$ 223,328

As of the fiscal year ended June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	\$ 2,307,630

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Miscellaneous Plan
Proportion – June 30, 2013	0.03919%
Proportion – June 30, 2014	0.03708%
Change – Increase (Decrease)	-0.00211%

As a result of the implementation of the GASB 68 pronouncement at June 30, 2015, the District recognized pension expense of \$220,195 at June 30, 2015.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(11) Defined Benefit Pension Plan, continued

Contributions, continued

As of the fiscal year ended June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 223,328	-
Net differences between projected and actual earnings on plan investments	-	(775,337)
Adjustments due to differences in proportion of net pension liability	15,501	-
Total	<u>\$ 238,829</u>	<u>(775,337)</u>

As of June 30, 2015, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$223,328 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

As of the fiscal year ended June 30, 2015, the District reported deferred outflows of resources for June 30, 2014 related to pensions as part of its adjustment to the beginning net position as of July 1, 2014 (Note 4) from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>
Pension contributions between the valuation and measurement date	<u>\$ 311,926</u>

Employer pension contributions reported as deferred outflows of resources related to contributions between the valuation date and measurement date of \$311,926 were recognized as an adjustment to the beginning net position as of July 1, 2014.

As a result of the implementation of the GASB 68 at June 30, 2015, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2016	\$ (188,299)
2017	(188,299)
2018	(189,406)
2019	(193,832)
2020	-
Thereafter	-

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(11) Defined Benefit Pension Plan, continued

Contributions, continued

The total pension liability in the June 30, 2013 actuarial valuation report was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.50%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The Discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report which can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS confirmed the materiality threshold for the difference in the calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the Discount rate will require CalPERS Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the fiscal year ended 2017-2018. CalPERS will continue to check the materiality of the difference in the calculation until such time as it has changed its methodology.

The long-term expected rate of return on pension plan investments was determine using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(11) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Year 11+**</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3	4.50	5.09
Liquidity	2	(0.55)	(1.05)
Total	<u>100.0%</u>		

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount Rate - 1%</u> <u>(6.50%)</u>	<u>Current Discount Rate</u> <u>(7.50%)</u>	<u>Discount Rate +1%</u> <u>(8.50%)</u>
District's Net Pension Liability/(Asset) \$	<u>4,112,112</u>	<u>2,307,630</u>	<u>810,081</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 41 through 42 for the Required Supplementary Schedules.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(12) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2015, the District participated in the liability and property programs of the SDRMA as follows:

- General and automotive liability: \$5,000,000 per occurrence with \$500-\$1,000 per occurrence for third party general liability property damage.
- Public officials and employees' errors and omissions: \$5,000,000 per occurrence with 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000 per occurrence for employment related claims. However, 100% of the obligation will be waived if certain criteria are met.
- Public officials' personal liability: \$500,000 per occurrence with \$500,000 annual aggregate limit per each elected/appointed official and a deductible of \$500 per claim.
- Employment practices and benefits liability: \$5,000,000 per occurrence with 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$50,000 per occurrence for employment related claims. However, 100% of the obligation will be waived if certain criteria are met.
- Employee dishonesty coverage: \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverage.
- Property loss: \$1,000,000,000 per occurrence with a \$2,000 deductible per occurrence.
- Boiler and machinery: \$100,000,000 per occurrence with a \$1,000 deductible.
- Workers compensation: \$5,000,000 each accident or each employee by disease.

(13) Net Investment in Capital Assets

Calculation of net position as of June 30, were as follows:

	2015
Net investment in capital assets	
Capital assets, net	\$ 30,525,596
Loans payable – current	(140,780)
Loans payable – non-current	(3,413,350)
Bonds payable – current	(616,350)
Bonds payable – non-current	(3,127,332)
Total net investment in capital assets	\$ 23,227,784

(14) Restricted Net Position

	2015
Restricted net position:	
Restricted for debt service	\$ 229,790
Total restricted net position	\$ 229,790

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(15) Unrestricted Net Position

	2015
Unrestricted net position:	
Non-spendable net position	
Materials and supplies inventory	\$ <u>224,415</u>
Total non-spendable net position	<u>224,415</u>
Spendable net position are designated as follows:	
Unrestricted	<u>1,731,596</u>
Total spendable net position	<u>1,731,596</u>
Total unrestricted net position	<u>\$ <u>1,956,011</u></u>

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2015, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 72

In February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*. The objective of this Statement is to enhance comparability of financial statements among governments by measurement of certain assets and liabilities at their fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 73

In June 2015, the GASB issued Statement No. 73 – *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the Scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans as pensions that are within their respective scopes.

The requirements of this statement that address accounting and financial reporting by employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after December 15, 2015.

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015**

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 73, continued

The requirements of this Statement for pension plans that are within the scope of Statement No. 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 74

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50, *Pension Disclosures*.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2016. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 76

In June 2015, the GASB issued Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within the source of authoritative GAAP.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Year Ended June 30, 2015

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 76, continued

This Statement replaces the requirements of Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015, and should be applied retroactively.

Governmental Accounting Standards Board Statement No. 77

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

(17) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to an audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(18) Subsequent Event

Events occurring after June 30, 2015 have been evaluated for possible adjustment to the financial statements or disclosure as of December 7, 2015, which is the date the financial statements were available to be issued.

Required Supplementary Information

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**San Lorenzo Valley Water District
Schedule of Funding Status
For the Fiscal Years Ended June 30, 2015**

(1) Defined Benefit Pension Plan

Development of the Actuarial Value of Assets Calculation in a Risk Pool

The District is part of the CalPERS Miscellaneous 2.0% at 55 yrs. Risk Pool

	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013*</u>	<u>June 30, 2014*</u>
1. Plan's accrued liability	\$ 10,564,230	11,347,210	-	-
2. Plan's side fund	(7,059)	(6,899)	-	-
3. Pool's accrued liability	3,619,835,876	4,175,139,166	-	-
4. Pool's side fund	(115,840,552)	(132,335,224)	-	-
5. Pool's actuarial value of assets including receivables	3,203,214,899	3,686,598,343	-	-
6. Plan's actuarial value of assets (AVA) including receivables [(1+2) / (3+4) x 5]	9,650,951	10,341,133	-	-
7. Pool's market value of assets (MVA) including receivables	2,867,303,802	3,120,110,130	-	-
8. Plan's market value of assets (MVA) including receivables [(1+2) / (3+4) x 7]	8,638,886	8,752,099	-	-

* CalPERS has not provided the information for these periods as of the date of the audit report.

Funding History

The Funding History below shows the actuarial accrued liability, the actuarial value of assets, the market value of assets, funded ratios, and the annual covered payroll. The actuarial value of assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the market value of assets is an indicator of the short-term solvency of the plan in the risk pool.

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (a)</u>	<u>Actuarial Value of Assets (b)</u>	<u>Market Value of Assets (MVA) (c)</u>	<u>Funded Ratio</u>		<u>Annual Covered Payroll</u>
				<u>AVA (b/a)</u>	<u>MVA (c/a)</u>	
June 30, 2011	\$ 10,564,230	9,650,951	8,638,886	91.4%	\$ 81.8%	1,792,536
June 30, 2012	11,347,210	10,341,133	8,752,099	91.1%	77.1%	1,794,546
June 30, 2013	*	-	-	0.0%	0.0%	-
June 30, 2014	*	-	-	0.0%	0.0%	-

* CalPERS has not provided the information for these periods as of the date of the audit report.

(2) Other Post-Employment Benefits Payable

Required Supplemental Information – Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2012	\$ 136,529	451,717	315,188	30.22%	\$ 2,233,145	14.11%
6/30/2010	-	452,179	452,179	0.00%	1,908,411	23.69%

Funding progress is presented for the year(s) that an actuarial study has been prepared since the effective date of GASB Statement 45. Actuarial review and analysis of the post-employment benefits liability and funding status is performed every three years or annually if there are significant changes in the plan. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in fiscal year 2016 based on the year ending June 30, 2015.

San Lorenzo Valley Water District
Schedule of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2015
Last Ten Years*

	6/30/2014 (a)
District's proportion of the net pension liability (asset)	0.03708%
District's proportionate share of the net pension liability (asset)	\$ 2,307,630
District's covered-employee payroll (b)	\$ 1,995,605
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	115.64%
Plan's fiduciary net position as a percentage of the total pension liability	81.15%

Notes:

- (a) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (b) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll related ratios.

* Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

**San Lorenzo Valley Water District
Schedule of Pension Plan Contributions
As of June 30, 2015
Last Ten Years***

<u>Schedule of Pension Plan Contributions (a):</u>	<u>Fiscal Year 2013-2014</u>
Actuarially determined contribution (b)	\$ 193,763
Contributions in relation to the actuarially determined contribution (b)	(200,451)
Contribution deficiency (excess)	\$ (6,688)
District's covered payroll (c), (d)	\$ 1,995,605
Contribution's as a percentage of covered-employee payroll (c)	9.71%

Notes:

- (a) Historical information is required only for measurement periods for which GASB 68 is applicable.
 - (b) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employer's may choose to make additional contributions towards their side fund or unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.
 - (c) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.
 - (d) Payroll from prior year (\$1,937,480) was assumed to increase by the 3.00 percent payroll growth assumption.
- * Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

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Supplemental Information

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**San Lorenzo Valley Water District
Combining Schedule of Net Position
June 30, 2015**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Current assets:			
Cash & cash equivalents	\$ 2,844,867	-	2,844,867
Cash & cash equivalents – restricted	229,790	-	229,790
Accrued interest receivable	3,984	-	3,984
Investments	686,198	-	686,198
Accounts receivable – water sales and services, net	353,681	-	353,681
Accounts receivable – property taxes	2,684	-	2,684
Accounts receivable – settlement agreement	36,392	-	36,392
Accounts receivable – grant and loan receivable	2,660,264	-	2,660,264
Accounts receivable – other	51,951	-	51,951
Internal balances	55,207	(55,207)	-
Prepaid expenses	49,670	-	49,670
Materials and supplies inventory	224,415	-	224,415
	<hr/>	<hr/>	<hr/>
Total current assets	7,199,103	(55,207)	7,143,896
Non-current assets:			
Investments	102,252	-	102,252
Capital assets – not being depreciated	13,951,214	28,213	13,979,427
Capital assets – being depreciated	16,047,632	498,537	16,546,169
	<hr/>	<hr/>	<hr/>
Total non-current assets	30,101,098	526,750	30,627,848
	<hr/>	<hr/>	<hr/>
Total assets	37,300,201	471,543	37,771,744
Deferred outflows of resources			
Deferred pension outflows	238,829	-	238,829
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Total deferred outflows of resources	\$ 238,829	-	238,829

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See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Combining Schedule of Net Position, continued
June 30, 2015

	Water Fund	Sewer Fund	Total
Current liabilities:			
Accounts payable and accrued expense	\$ 1,143,361	-	1,143,361
Accrued wages and related payables	169,301	-	169,301
Unearned revenues – customer deposits	63,285	-	63,285
Unearned revenues – construction deposits	117,606	-	117,606
Accrued interest payable	32,318	-	32,318
Long-term liabilities – due in one year:			
Compensated absences	171,227	-	171,227
Loans payable	140,780	-	140,780
Bonds payable	616,350	-	616,350
Total current liabilities	2,454,228	-	2,454,228
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	304,404	-	304,404
Other post-employment benefits payable	214,707	-	214,707
Net pension liability	2,307,630	-	2,307,630
Loans payable	3,413,350	-	3,413,350
Bonds payable	3,127,332	-	3,127,332
Total non-current liabilities	9,367,423	-	9,367,423
Total liabilities	11,821,651	-	11,821,651
Deferred inflows of resources			
Deferred pension inflows	775,337	-	775,337
Total deferred inflows of resources	775,337	-	775,337
Net position			
Net investment in capital assets	22,701,034	526,750	23,227,784
Restricted for debt service	229,790	-	229,790
Unrestricted	2,011,218	(55,207)	1,956,011
Total net position	\$ 24,942,042	471,543	25,413,585

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating revenues:			
Water consumption sales	\$ 5,237,534	-	5,237,534
Wastewater service	-	100,088	100,088
Charges and penalties	99,066	-	99,066
Other charges and services	42,202	-	42,202
	<u>5,378,802</u>	<u>100,088</u>	<u>5,478,890</u>
Total operating revenues			
Operating expenses:			
Salaries and benefits	3,421,201	7,213	3,428,414
Professional services	743,184	21,500	764,684
Materials and supplies	154,939	2,453	157,392
Vehicle and equipment maintenance	111,084	-	111,084
Building maintenance	39,433	-	39,433
Repairs	20,010	-	20,010
Collection fees and charges	53,443	-	53,443
Utilities and telephone	487,083	8,608	495,691
Insurance	54,488	-	54,488
Rentals and permits	110,924	16,749	127,673
Travel, meals and conferences	16,171	-	16,171
Auto allowance	1,276	-	1,276
Office expenses	278,575	4,000	282,575
	<u>5,491,811</u>	<u>60,523</u>	<u>5,552,334</u>
Total operating expenses			
Operating income (loss) before overhead absorption	(113,009)	39,565	(73,444)
Overhead absorption	24,644	-	24,644
	<u>(88,365)</u>	<u>39,565</u>	<u>(48,800)</u>
Operating income (loss) before depreciation expense			
Depreciation expense	(1,097,337)	(41,773)	(1,139,110)
	<u>(1,185,702)</u>	<u>(2,208)</u>	<u>(1,187,910)</u>
Operating loss			

Continued on next page

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Combining Schedule of Revenues, Expenses and Changes in Net Position, continued
For the Year Ended June 30, 2015

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Non-operating revenues (expenses):			
Property tax revenue	\$ 762,752	-	762,752
Investment earnings	(1,909)	-	(1,909)
Rental revenue	29,713	-	29,713
Interest expense	(127,850)	-	(127,850)
Gain on disposition of capital assets	34,499	-	34,499
Settlement and purchase agreements	145,257	-	145,257
Total non-operating revenues, net	<u>842,462</u>	<u>-</u>	<u>842,462</u>
Net loss before capital contributions	<u>(343,240)</u>	<u>(2,208)</u>	<u>(345,448)</u>
Capital contributions:			
Capital grants - other governments	<u>2,287,233</u>	<u>-</u>	<u>2,287,233</u>
Total capital contributions	<u>2,287,233</u>	<u>-</u>	<u>2,287,233</u>
Change in net position	<u>1,943,993</u>	<u>(2,208)</u>	<u>1,941,785</u>
Net position, beginning of period, as restated	<u>22,998,049</u>	<u>473,751</u>	<u>23,471,800</u>
Net position, end of period	<u>\$ 24,942,042</u>	<u>471,543</u>	<u>25,413,585</u>

See accompanying notes to the basic financial statements

Report on Internal Controls and Compliance

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
San Lorenzo Valley Water District
Boulder Creek, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Lorenzo Valley Water District (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 7, 2015.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP
Cypress, California
December 7, 2015

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San Lorenzo Valley Water District

Management Report

June 30, 2015

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San Lorenzo Valley Water District

Management Report

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Board of Directors
San Lorenzo Valley Water District
Boulder Creek, California

Dear Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District, the basic financial statements of the San Lorenzo Valley Water District (District) as of and for the year ended June 30, 2015, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of District internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited period described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

Summary of Current Year Comments and Recommendations

Investment Policy – Non-Compliance with California Government Code

As part of our audit procedures, we noted that the District's investment policy and investment portfolio are not in compliance with California Government Code (Code) which provides that investments in certificates of deposit should not exceed 30% of the District's total investments. Non-compliance with the Code may expose the District to various interest rate and credit risks. As a result, we recommend that the District review current investment policies and practices and move toward compliance as investments mature.

Management's Response

We concur with the auditor's recommendation. The District has determined to allow current holdings in certificates of deposit to mature. Subsequent reinvestment of District funds will be conducted in compliance with Code requirements and District policy.

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2015.

Status of Comments and Recommendations Made in the Previous Year

Investment Policy – Non-Compliance with California Government Code

As part of our audit procedures, we noted that the District's investment policy and investment portfolio are not in compliance with California Government Code (Code) which provides that investments in certificates of deposit should not exceed 30% of the District's total investments. Non-compliance with the Code may expose the District to various interest rate and credit risks. As a result, we recommend that the District review current investment policies and practices and move toward compliance as investments mature.

Management's Response

We concur with the auditor's recommendation. The District has determined to allow current holdings in certificates of deposit to mature. Subsequent reinvestment of District funds will be conducted in compliance with Code requirements and District policy.

Accounting and Financial Reporting – Annual Audit Preparation

During our audit of the District's financial statements for the fiscal year-ended June 30, 2014, we noted that various account balances were not adjusted and reconciled at year-end. As a result, we experienced delays in completing and finalizing the June 30, 2014 audit. We recommend that the District review and reconcile all general ledger account balances prior to the annual financial audit.

Status of Comments and Recommendations Made in the Previous Year, continued

Management's Response

We concur with the auditor's recommendation.

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2014.

* * * * *

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

Fedak & Brown LLP
Cypress, California
December 7, 2015

APPENDIX

San Lorenzo Valley Water District

Audit/Finance Committee Letter

June 30, 2015

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Board of Directors
San Lorenzo Valley Water District
Boulder Creek, California

We have audited the basic financial statements of the San Lorenzo Valley Water District (District) for the year ended June 30, 2015, and have issued our report thereon dated December 7, 2015. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

Auditor's Responsibility under United States Generally Accepted Auditing Standards

As stated in our Audit Engagement Letter dated June 18, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in the District's external financial reporting process or any other processes.

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing requirements previously communicated to management.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

As described in Note 3, 6 and 11 to the financial statements, the District changed accounting policies related to Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, and No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68, as of June 30, 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Activities.

We noted no transactions entered into by the District during fiscal year 2015 for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Management's Judgments, Accounting Estimates and Financial Disclosures

Accounting estimates play an integral part in the preparation of basic financial statements by management and are based upon management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the position in the basic financial statements is (are):

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits payable is based on an actuarial evaluation of this liability that was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's Judgments, Accounting Estimates and Financial Disclosures, continued

The disclosures in the basic financial statements are neutral, consistent and clear. Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the basic financial statements is (are):

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 7 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits payable in Note 9 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the District's defined benefit pension plan in Note 3, 6 and 11 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management. (See Pages 5 through 7)

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit of the District.

Management Representations

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated December 7, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principal to the District's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Conclusion

We appreciate the cooperation extended us by Brian Lee, District Manager, and Stephanie Hill, Finance Manager, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than the specified, parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Fedak & Brown LLP
Cypress, California
December 7, 2015

DRAFT

**San Lorenzo Valley Water District
Schedule of GASB 68 Adjustments
June 30, 2015**

The District has recorded the following adjustments with regard to the adoption of Governmental Accounting Standards Board No 68 and 71.

GASB 68 Entry No. 1 - To record prior period adjustment for change in accounting principle of GASB 68 as of June 30, 2014.

01-00-1940	DEFERRED OUTFLOWS - PENSIONS	\$ 311,926.00	
01-00-3980	RETAINED EARNINGS ADJUSTMENT	2,847,271.00	
01-00-2941	NET PENSION LIABILITY		3,159,197.00
Total		<u>3,159,197.00</u>	<u>3,159,197.00</u>

GASB 68 Entry No. 2 - To reclassify 2014 contributions to NPL at June 30, 2015.

01-00-2941	NET PENSION LIABILITY	311,926.00	
01-00-1940	DEFERRED OUTFLOWS - PENSIONS		311,926.00
Total		<u>311,926.00</u>	<u>311,926.00</u>

GASB 68 Entry No. 3 - To reclassify 2015 contributions to Deferred Outflows of Resources at June 30, 2015.

01-00-1940	DEFERRED OUTFLOWS - PENSIONS	223,328.00	
01-01-5840	PENSION EXPENSE - GASB 68		223,328.00
Total		<u>223,328.00</u>	<u>223,328.00</u>

GASB 68 Entry No. 4 - To record changes in pension liability during FY13/14 at June 30, 2015.

01-00-1940	DEFERRED OUTFLOWS - PENSIONS	21,037.00	
01-00-2941	NET PENSION LIABILITY	539,641.00	
01-01-5840	PENSION EXPENSE - GASB 68	304,871.00	
01-01-5840	PENSION EXPENSE - GASB 68	955,665.00	
01-00-2940	DEFERRED INFLOWS - PENSIONS		969,172.00
01-01-5840	PENSION EXPENSE - GASB 68		130,605.00
01-01-5840	PENSION EXPENSE - GASB 68		721,437.00
Total		<u>1,821,214.00</u>	<u>1,821,214.00</u>

GASB 68 Entry No. 5 - To record changes in the deferred outflows and deferred inflows (amortization) during FY13/14 at June 30, 2015.

01-00-2940	DEFERRED INFLOWS - PENSIONS	193,835.00	
01-00-1940	DEFERRED OUTFLOWS - PENSIONS		5,536.00
01-01-5840	PENSION EXPENSE - GASB 68		188,299.00
Total		<u>\$ 193,835.00</u>	<u>193,835.00</u>

San Lorenzo Valley Water District
Schedule of Client Adjusting Journal Entries
June 30, 2015

Adjusting Journal Entries JE # 1

CJE - To depreciate Lompico Booster Station

01-04-5273	DEPRECIATION-PUMPING	\$	11,429.55	
01-00-1775	DEPREC. BOOSTER PUMPS			11,429.55
Total			11,429.55	11,429.55

Adjusting Journal Entries JE # 2

CJE - To depreciate meter reading equipment.

01-04-5673	DEPRECIATION-MAINTENANCE		554.08	
01-00-1752	DEPREC. MACHINERY & EQUIPMENT			554.08
Total			554.08	554.08

Adjusting Journal Entries JE # 3

CJE - To reclassify all Prop 50 to 1744.

01-00-1744	IN PROGRESS STATE PROJECTS		802,595.98	
01-00-1743	IN PROG. REGULAR CAPITAL PROJ.			802,595.98
Total			802,595.98	802,595.98

Adjusting Journal Entries JE # 4

CJE - Adjust capital project contributions.

01-00-1306	A/R GRANT FUNDING RECEIVABLE		667,889.29	
01-00-1306	A/R GRANT FUNDING RECEIVABLE		1,992,374.63	
01-00-2826	OLY MUTUAL ASSESSMENT PMNTS		235,444.49	
01-00-2825	OLYMPIA MUTUAL LOAN			667,889.29
01-00-4895	Oly Assessment Revenue			235,444.49
01-00-4896	CAPITAL CONTRIBUTION - STATE			1,992,374.63
Total			2,895,708.41	2,895,708.41

Adjusting Journal Entries JE # 5

CJE - To adjust investment activities.

01-00-1189	MSDW ADJUSTMENTS		12,969.66	
01-00-4894	REALIZED G/L - MSDW		119,479.40	
01-00-4899	INTEREST DIVIDEND - MSDW			12,969.66
01-00-4899	INTEREST DIVIDEND - MSDW			119,479.40
Total			132,449.06	132,449.06

Adjusting Journal Entries JE # 6

CJE - To accrue last payroll regarding PERS

01-01-5711	PERS - RETIREMENT		836.38	
01-02-5711	PERS - RETIREMENT		1,274.29	
01-03-5711	PERS - RETIREMENT		430.35	
01-04-5711	PERS - RETIREMENT		3,567.71	
01-05-5711	PERS - RETIREMENT		371.91	
01-08-5711	PERS - RETIREMENT		2,218.17	
01-00-2102	ACCRUED PAYROLL			8,698.81
Total		\$	8,698.81	8,698.81

**San Lorenzo Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2015**

Adjusting Journal Entries JE # 1

AJE - To accrue additional accounts payable.

01-00-1743	IN PROG. REGULAR CAPITAL PROJ.	\$ 50,612.64	
01-00-1744	IN PROGRESS STATE PROJECTS	633,089.17	
01-05-5020	CONTRACT/PROFESSIONAL SERVICES	69,498.70	
01-08-5140	UTILITIES	23,897.76	
01-08-5143	OPERATING SUPPLIES	11,100.00	
01-08-5640	UTILITIES	3,922.26	
01-08-5840	UTILITIES	4,001.13	
01-00-2103	ACCRUED EXPENSES		796,121.66
Total		<u>796,121.66</u>	<u>796,121.66</u>

Adjusting Journal Entries JE # 2

AJE - To accrual 7/8 payroll

01-01-5001	REGULAR SALARIES	8,876.40	
01-01-5712	FICA - SOCIAL SECURITY	541.50	
01-01-5716	MEDICARE	126.64	
01-02-5001	REGULAR SALARIES	32,882.45	
01-02-5712	FICA - SOCIAL SECURITY	2,011.71	
01-02-5716	MEDICARE	470.48	
01-03-5001	REGULAR SALARIES	3,900.80	
01-03-5712	FICA - SOCIAL SECURITY	235.82	
01-03-5716	MEDICARE	55.15	
01-04-5001	REGULAR SALARIES	31,747.43	
01-04-5403	O.T.-TRANS. & DISTR.	2,278.88	
01-04-5712	FICA - SOCIAL SECURITY	1,997.70	
01-04-5716	MEDICARE	467.20	
01-05-5001	REGULAR SALARIES	3,371.20	
01-05-5712	FICA - SOCIAL SECURITY	191.14	
01-05-5716	MEDICARE	44.70	
01-08-5001	REGULAR SALARIES	24,391.34	
01-08-5103	O.T.-SOURCE OF SUPPLY	2,422.10	
01-08-5712	FICA - SOCIAL SECURITY	1,634.25	
01-08-5716	MEDICARE	382.20	
01-00-2102	ACCRUED PAYROLL		118,029.09
Total		<u>118,029.09</u>	<u>118,029.09</u>

Adjusting Journal Entries JE # 3

AJE - To adjust OPEB obligation for the ARC adjustment

01-00-2250	ANNUAL OPEB OBLIGATION	11,304.85	
01-01-5723	ANNUAL OPEB EXPENSE		11,304.85
Total		<u>\$ 11,304.85</u>	<u>11,304.85</u>

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Repeal and Replacement of Ordinance 8
DATE: December 17, 2015

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, review the attached draft Rules and Regulations of the San Lorenzo Valley Water District and review the attached draft Policies and Procedures of the San Lorenzo Valley Water District. Staff recommends the Board, by Ordinance, repeal Ordinance 8 in its entirety, by Ordinance adopt the District's Rules and Regulations, and by Resolution adopt the District's Policies and Procedures.

BACKGROUND:

The District has adopted Ordinance 8 as the current primary document defining the District's rules, regulations, policies and procedures. It is generally accepted that Ordinance 8 has become cumbersome. Staff has worked with the Legislative Committee to take Ordinance 8 and separate it into two distinct draft documents; Rules and Regulations & Policies and Procedures. Every Article in Ordinance 8 is represented in the combined draft documents. To staff's knowledge no Article of Ordinance 8 has been omitted. Some outdated language has been removed.

Ord 8 Article 17 - Sewerage Rules, Regulations, Rates & Charges has been amended to remove references to the now defunct Valley Wide Sewer System.

Ord 8 Article 19, Cross-Connection Control Program is currently incomplete and will be brought to the Board when ready, early next year.

Staff is requesting that the Board replace Ordinance 8 with the two draft documents; Rules and Regulations & Policies and Procedures. This will not be a singular event. Corrections will be required. There are references and incompatible language within the documents that will need to be corrected. Staff is committed to assisting the Administration Committee with a thorough review and revision of these documents over the next year. However, the first step is to adopt the documents.

If these two documents are adopted by the Board, throughout next year staff intends to collect all external rules, regulations, policies and procedures documents and bring them to the Board for adoption as Sections into one of these two documents, thereby creating one source of record for the District's Rules and Regulations and one source of record for the District's Policies and Procedures.

STRATEGIC PLAN:

Element 9.0 - Update Ordinance 8

FISCAL IMPACT:

No impact to current budget year

ORDINANCE NO. 8
ESTABLISHING RATES, RULES AND REGULATIONS FOR WATER SERVICE BY
SAN LORENZO VALLEY COUNTY WATER DISTRICT (Adopted July 13, 1970)

BE IT ORDAINED by the Board of Directors of the San Lorenzo Valley County
Water District as follows:

ARTICLE 1. GENERAL PROVISIONS

~~1. Short Title. This ordinance shall be known and may be cited as "San Lorenzo
Valley County Water District Water Ordinance No. 8."~~

~~1.2a The manager shall institute measures to continually monitor the sources and
facilities of the District to assure the adequacy of such sources and facilities to supply
the customers of the District, both present and prospective. Members of the District's
staff shall be encouraged and directed to report to the manager any changes in the
sources and facilities which might affect in any way the capability of the District to
supply its customers, present and prospective. The Manager shall report to the Board
of Directors as required from time to time by the Board of Directors, the status of the
capability of the District's sources and facilities to supply the District's customers and
meet the demands upon the waterworks system.~~

Comment [RB1]: Added by ordinance 7/18/78

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~~1.2b The manager shall review all applications for water service connections to
determine whether such connections can be made to the District's system or any
subsystem thereof without impairing the system's or subsystem's capability of
supplying water in accordance with good waterworks management practices and shall
report to the Board of Directors when, in his opinion, the addition of service
connections to the District's system or any sub system thereof will reduce the level
and quality of service to the near minimum of good waterworks management
practices.~~

~~1.2c The planning and designing of repairs, replacement and improvements of
District facilities shall be accomplished to provide for the orderly development of the
waterworks system. Wherever feasible, such planning and designing shall provide
for the orderly expansion of the District's waterworks system when it is foreseeable
that such expansion is reasonably probable.~~

~~1.2d The manager shall communicate and consult with other public service agencies
so that the District might cooperate beneficially with other agencies in water
sanitation, fire protection, resources management and recreation matters.~~

~~1.2e The provisions of this ordinance shall be interpreted and implemented to carry
out the policy set forth in this section 2 whenever feasible.~~

~~3 Water System. The District will operate and maintain a system plant, work and
undertaking used for and useful in obtaining, conserving and disposing of water for
public and private uses, including all parts of the enterprise, all appurtenances to it,
and lands, easements, rights in land, water rights, contract rights, franchises, and the
water supply, storage and distribution facilities and equipment.~~

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~~4 Separability. If any section, subsection, sentence, clause, or phrase of this
ordinance is for any reason held to be unconstitutional or otherwise invalid, such
decision shall not affect the validity of the remaining portions of this ordinance.~~

5. Penalty for Violation. For the failure of the customer to comply with the provisions of this ordinance, and any resolution adopted pursuant to this ordinance, or any ordinance, resolution or order fixing rates and charges of this District, a penalty for which has not hereafter been specifically fixed, the customer's service shall be discontinued and water shall not be supplied such customer until the customer has complied with the rule or regulations, rate or charge violated or, in the event that he cannot comply with said rule or regulation, until the District is satisfied that in the future the customer will comply with all the rules and regulations established by this ordinance and with all rates and charges of this District. In addition the customer shall pay the District for renewal of services such sum as the Board of Directors of the District shall by resolution fix.

6. Access to Public Records. In accordance with the California Public Records Act, Government Code 6250 et seq. and 6253 thereof, the District hereby adopts the following public record inspection regulations.

6a. The District's public records shall be open to inspection during the District's regular office hours. The term "public records" and other terms used herein shall be as defined in Government Code 6252.

6b. Current records shall be maintained in the offices of the District Manager and the District Secretary, which offices shall be locked after regular office hours or when the Manager and Secretary are absent from their offices. Only the District Manager, District Secretary and their designated employee shall have keys to said offices. Such designated employee shall use this key for access to the Manager and Secretary offices only as a substitute for the Secretary when the District Secretary and Manager are absent from the office during regular office hours.

6c. The Secretary shall be responsible for controlling access to District records and for maintaining the records in an accurate and complete manner.

6d Any person, including a member of the Board, a District employee, a consultant or agent of the District, or a member of the public who desires to inspect District public records shall notify the District Secretary, or in her absence the District Manager or designated employee.

6e. The District Secretary shall establish and implement a record control system designed to prevent the loss, misplacement or alteration of District Records. Any person seeking to inspect public records shall comply with this record control system.

7a. It is the policy of the District to comply with the California Public Records Act, Government Code Section 6250 and following, and with California Civil Discovery Statutes, section 2016 and following, regarding the access and availability of District records, and the responsibility to research, identify, produce and copy such records in accordance with applicable law. As set forth in 1.6 above, District records are open and available to the public in accordance with stated regulations. District staff resources are limited and are funded by user charges billed to District customers and taxes assessed on properties within the District. The Board has determined it appropriate to charge and collect a reasonable fee from any person requesting research, identification, production and services in order to recover the estimated costs incurred by the District in responding to such request.

7b. Removal of District Records. No District records shall be removed from the District offices without the prior express written approval of the District Manager.

Comment [RB2]: Revised and renumbered Ord. 28

Deleted: Publication. This ordinance shall be published once in a newspaper published within the District.

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Comment [RB3]: Added by Ordinance 46, 7/29/83

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Comment [RB4]: Added by ordinance 61, 5/6/85

Such approval shall authorize the removal of specifically identified documents by an identified person, to a named location for a stated purpose and shall state a return date. Copies, duplicates or reproductions of District records may be released from the District Offices in accordance with Ordinance 8 and other applicable law. The Board shall be notified of all written approvals issued by the Manager.

7c. Requests for Research, Identification, and Production of District Records. The charge for researching, producing and identifying District records shall be the actual cost to the District. Said rates shall be made available to the requesting party following receipt by the District of the request for said services.

7d. Charge for Photocopying. The charge for photocopying any District document or record shall be fifteen cents per standard or legal size page.

8. Severability. If any section, subsection, paragraph, subparagraph, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance, and the Board declares that this ordinance and phrases thereof would have been adopted irrespective of the fact that one or more of such sections, subsection, paragraph, sub-paragraph, sentence, clause and phrases thereof would have been adopted irrespective of the fact that one or more of such sections, subsections, paragraph, subparagraph, sentence, clause, or phrase be declared invalid or unconstitutional.

Comment [RB5]: Added by Ordinance 73 4/6/87

ARTICLE 2. DEFINITIONS

1. Applicant. A person applying for water service.

2. Board. The Board of Directors of the San Lorenzo Valley County Water District.

3. Commercial Property. The premises on which the customer is engaged in a business or trade.

4. Control Valve. A valve, independent of the District's facilities, located in the customer's piping as close to the meter as practicable, the operation of which will control the entire water supply from the meter.

5. Cross-Connection. Any physical connection between the piping system from the District service and that of any other water supply that is not or cannot be approved as safe and potable for human consumption, whereby water from the unapproved source may be forced or drawn into the District distribution main.

6. Curb Stop. A valve between the main and the meter for the use of the District in controlling the water supply to a customer.

7. Customer. A person supplied or entitled to be supplied with water service by the District.

8. Developer. A person who intends originally to construct and to develop, pursuant to a subdivision map of record, a tract of more than four separate parcels within the District.

9. District. The San Lorenzo Valley Water District.

10. Distribution Mains. Water lines in streets, alleys, and easements used for public and private fire protection and for general distribution of water.

11. Residential Property. Premises used for household residential purposes.

12. Residential Service. The supplying of water for residential purposes.

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- 13. Extensions. The addition of distribution mains, exclusive of service connections, beyond existing facilities.
- 14. Mains. Pipelines located in streets, highways, or rights of way which are used to serve the general public.
- 15. Owner. The person owing the fee, or the person in whose name the legal title to real property appears by deed duly recorded in the County Recorder's Office, or the person in possession of the property or buildings under claim of, or exercising acts of ownership over the property for himself or as executor, administrator, or guardian or trustee of the owner.
- 16. Person. An individual or a company, association, co-partnership or public or private corporation.
- 17. Premises. The integral property or area under single ownership, including improvements thereon, to which water service is or will be provided. Apartment houses and office buildings may be classified as single premises.
- 18. Private Fire Protection Service. Water service and facilities for building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection and the water available therefor.
- 19. Public Fire Protection Service. The service and facilities of the entire water supply, storage and distribution system of the District, including the fire hydrants affixed thereto, and the water available for fire protection, excepting house service connections and appurtenances thereto.
- 20. Regular Water System. Water service and facilities rendered for normal residential and commercial purposes on a permanent basis, and the water available therefor.
- 21. Schedules. The entire body of effective rates, charges and rules.
- 22. Service or Service Connection. The pipeline and appurtenant facilities such as the curb stop, meter and meter box all used to extend water service from a distribution main to premises. Where services are divided at the curb or property line to serve several customers, each such branch service shall be termed a separate service.
- 23. Temporary Water Service. Water service and facilities rendered for construction work and other uses of limited duration, and the water available therefor.
- 24. Water System. The distribution and transmission main, pumps, valves, hydrants, and storage facilities.
- 25. Connection Fee. A fee to be paid by applicants for new water service connections determined by the Board of Directors to be an amount equal to the historic capital cost component of the water rate charged by the district.

ARTICLE 3. WATER DISTRICT

- 1. Creation. The Water District shall include the Board and such positions as the Board may create and fill from time to time.
- 2. District Employees. The Board may authorize the employment of such employees as are reasonably necessary for the proper operation, maintenance and repair of the District water system and to fix the compensation to be paid such personnel.

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Deleted: Water Department means the Board performing functions related to the District water services together with the manager and billing clerk and other duly authorized personnel. .

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Comment [RB6]: Adopted by resolution 7/8/74

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Deleted: A Water Department is hereby created which shall include the Board and two positions, to wit: A Manager and a billing clerk. They shall be appointed to serve at the pleasure of the Board.

Deleted: Manager. Duties. Manager shall regularly inspect all physical facilities related to the District water system to see that they are in good repair and proper working order and to note violations of any water regulations. .

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3. Employer-Employee Relations. Rules and Regulations for the administration of employer-employee relations under the Meyers-Milias-Brown Act entitled "Rules and Regulations of the San Lorenzo Valley Water District for the Administration of Employer-Employee Relations" are hereby adopted and made a part of these regulations.

Comment [RB7]: Added by Resolution 3/12/73

4. Policy Regarding Access to Personnel Files. It is the policy of the District to maintain the confidentiality of employee personnel files and records. Such files and records are not public records and access shall be limited to legitimate administrative and judicial purposes as set forth in this ordinance. Information contained in personnel files, which by law is of public record, such as compensation, shall also be maintained as a public record which the District shall maintain separately from the personnel files.

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4a. The District shall maintain all personnel files and records in a secured location with restricted access.

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4b. Upon request an employee shall be entitled to a copy of his or her complete personnel file and records.

4c. No personnel files or records shall be removed from the District offices, except as compelled by judicial or administrative process or by any other specific provision of law.

4d. Copies of such files or records may be made and/or released only in compliance with this ordinance.

4e. The District shall not use or disclose or permit its employees, agents, members of the Board, or members of the public to have access to, or to use or disclose information contained in an employee's personnel file or records except as follows:

4e1. The information may be disclosed to third parties if the employee (or his/her legal representative) signs a written, dated authorization for the District to disclose such information. Such authorization may state limitations of the type or use of information to be disclosed, and the names or functions of the person(s) or entities authorized to obtain such information.

4e2. Such information which is relevant in a lawsuit, arbitration, grievance, or other claim or challenge to which the District and the employee are parties may be used or disclosed in connection with that proceeding.

4e3. Information which is relevant to the administration of the District, including the administration and maintenance of employee benefit plans, health care plans, disability plans, worker's compensation, insurance plans, financial and/or retirement plans, and other similar programs, may be used or disclosed for such purpose by the designated District employee(s) responsible for administering and maintaining such plan or program.

4e4. The designation of such employee(s) authorized to have access to personnel files of non-classified employees for any stated purposes shall be by Board resolution.

4e5. The designation of such employee(s) authorized to have access to personnel files of classified employees shall be made by the District Manager.

4e6. A Personnel Action Form shall be used to document administrative actions regarding employment status, compensation, benefits, and payroll deductions.

Said forms shall be distributed to the employees responsible for administering such programs.

4e7. In an emergency situation, or when the employee is incompetent or incapacitated, medical information may be disclosed to a health care professional or facility to aid in the diagnosis or treatment of an employee.

4e8. Except as otherwise provided in this ordinance, access to the personnel files of non-classified employees shall be limited to the members of the Board of Directors. Such access shall be limited to that part of the information contained in personnel files which is relevant to job qualification, performance, or evaluation. Access by the members of the Board to other information contained in a non-classified employee's file is permissible only upon a prior finding by the Board, except in an emergency, that there is a legitimate purpose for such disclosure. Such finding and subsequent authorized access by the Board may limit the manner, type, or use of the access or the disclosure.

4e9. Except as otherwise provided in this ordinance, access to the personnel files of classified employees shall be limited to the manager and the employee's supervisor or supervisors.

ARTICLE 4. APPLICATION FOR REGULAR WATER SERVICE—WHERE NO MAIN EXTENSION REQUIRED.

1. Each applicant for regular water service shall be required to sign on a form provided by the District.
2. Each application shall set forth the following:
 - a) Date of application
 - b) Name of applicant
 - c) Street of address of property to be served
 - d) The assessor's parcel number of the property to be served
 - e) Address to which bills shall be mailed
 - f) Applicant's ownership in the property.
 - g) Whether the service is for residential, commercial, or industrial use.
3. Property Owner responsible for Bills.
4. Undertaking of Applicant. Such application will signify the customer's willingness and intention to comply with this and other ordinances or regulations relating to the regular water service and to make payment for water service required.
5. Payment for Previous Service. An application will not be honored unless payment in full has been made for water service previously rendered to the applicant by District.
6. Installation of Services. Upon receiving the application and upon compliance with applicable rules and regulations of the District, for locations with existing service and meter, the District will commence water service upon the payment of a fee to cover the average cost of commencing such service. The average cost shall be fixed by the Board by resolution. Upon receiving the application and upon compliance with other applicable rules and regulations; for locations with no existing service and meter, the District will install a service connection and meter

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Deleted: Property Owner's Liability. Should the applicant be other than the property owner, the signatures of the property owner may be required, and the owner may be required to guarantee that bills for service to his property or to the occupants thereof will be paid.
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upon payment of fees designed to reimburse the District for the cost of the facilities required.

7. Location of Facilities. Regular water service will be installed at the location determined by the Water District. Service installations will be made only to property abutting on public streets or abutting on such distribution mains as may be constructed in alleys or easements. Applicant shall install a control valve and piping which shall extend to that point on the curb line or property line easiest of access to the District from the existing distribution system. The control valve shall be for the purpose of controlling the flow of water to the piping on customer's premises. To protect his piping, appliances and facilities against excessive or fluctuating pressure, the applicant may install a pressure regulator in his piping, and the District shall not be responsible for damage to a customer's piping, appliances and facilities occasioned by excessive or fluctuating pressure beyond the reasonable control of the District. The approval of the Water District shall be procured before the installation of any such facilities.

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8. Ownership of Facilities. All facilities installed between the main and meter outlet, including the service connection and meter shall be and shall remain the property of the District and may be maintained, repaired or replaced by the water District without the consent or interference of the owner or occupant of the property. The property owner shall use reasonable care in the protection of the facilities. No payment shall be made for placing or maintaining such facilities on private property. The necessary piping and main valve and pressure regulator located beyond the meter outlet shall be the property of the customer and shall be maintained by the customer.

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9. Expiration. Every application for new service shall expire by limitation, and become null and void if the demand for meter installation is not made by the applicant for the premises to which the application applies within 90 days from the date of application.

10. An applicant whose application has been determined by the Water District to have become null and void may appeal such determination to the Board of Directors.

11. Separate Fund for Connection Charge. Upon application to the District, and determination by the District that the property for which water service is requested can be served, the District shall place the connection charge into a separate fund. The money shall remain in said fund until it is either 1) refunded to the customer if his application for service is denied, withdrawn, or expires, or 2) transferred to the Capital Improvement Fund after the water meter is installed. Interest on any such funds shall be retained by the District.

12. Setting the Meter. The District shall not set the water meter until the applicant has filed with the District a written request for setting the meter.

13. Request For Refund of Water Service Connection Charge. Any owner of property for which an application for water service has been filed and for which a charge has been paid may file a request for a refund of the water service connection charge.

13a. If the property owner filed an application for services and paid the connection charge after June 18, 1981, And the water meter has not been set, the

refund request shall be granted and the request may be processed administratively by the District Manager.

13b. If the property owner filed an application for service and paid the connection charge before June 18, 1981, Or if the application was filed after June 18, 1981, but the meter has been set, the property owner may file a request for a hearing regarding a refund of the water service before the Board of Directors as follows:

13b1. The property owner shall file a written request for a hearing addressed to the Board of Directors and submitted to the District Secretary, 13060 Central Avenue, Boulder Creek, CA 95006.

13b2. The request should include the name(s) and address of the property owner(s); the address of the property; the Assesor's Parcel No., and a statement of the facts and grounds supporting the request.

13b3 The grunds for granting the request for a refund shall be either:

13b3a. Changed physical conditions of the subject which render the parcel undevelopable or

13b3b

ARTICLE 6. GENERAL USE REGULATIONS

1. Number of Services Per Premises. The applicant may apply for as many services as may be reasonably required for his premises provided that the pipeline system from each service shall be independent of the others and that they may not be interconnected. The cost of all services over and above the initial service shall be borne by the applicant

2. Supply to Separate Premises. No more than one premises shall be served from each service connection.

3. Supply to Multiple Users. Separate houses, buildings, living or business quarters, such as motels, mobile home parks and the like, under a single control or management, may be served by any of the following methods:

a) Through separate service connections to each or any unit, provided that the pipeline system from each service is independent of the others and that they are not interconnected.

2) Through a single service connection to the entire premises.

3) In the event that any separate house, building, living or business quarter is severed from the balance of the property, the property so severed shall be required to provide a separate service connection.

The Water District, however, may require individual service connections for each separate house, building, living quarters or business quarter when the Board determines that such a requirement is in the best interest of the District.

4. Charges to Multiple Users. Charges for water service to multiple users may be fixed by the Board by resolution.

5. Water Waste. No consumer shall knowingly permit leaks or waste of water.

6. Responsibility for Equipment on Customer Premises. All facilities installed by the District on private property for the purpose of rendering water service shall remain the property of the District and may be maintained, repaired or replaced by

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the water department without the consent or interference of the owner or occupant of the property. The property owner shall use reasonable care in the protection of the facilities. No payment shall be made for placing or maintaining facilities on private property.

7. Damage to Water System Facilities. The customer shall be liable for any damage to the District-owned customer water service facilities when such damage results from causes originating on the premises. The cost for repairing any such damage shall be paid by the customer, and the cost shall be due and payable to the District upon the District's rendering a bill therefor.

7. Control Valve on the Customer Property. The customer shall provide a valve on his side of the service installation to control the flow of water to the piping on his premises. The customer shall not use the service curb stop to turn water on and off for his convenience.

9. Interruptions in Service. The District shall not be liable for damage which may result from an interruption in service from a cause beyond the control of the water district. Temporary shutdowns may be made by the water district to make improvements and repairs. Whenever possible and as time permits, all customers and fire departments affected will be notified prior to making such shutdowns. Affected fire departments will be notified promptly upon restoration of service.

10. Ingress and Egress. Representatives from the water district shall have the right of ingress and egress to the customer premises at reasonable hours for any purpose reasonably connected with the furnishing of water service.

11. Resale of Water. Except by agreement with the District, no customer shall resell any of the water received by him from the District, nor shall such water be delivered to premises other than those specified in the application for service.

12. Health and Safety—Discontinuance of Service. If a condition on the customer's premises is found to be hazardous to the health and safety of the public arising from the use of water, the use and maintenance of any apparatus, appliances, or equipment or otherwise, the water district may discontinue service to such premises without notice. The water district in such event shall make reasonable effort to notify the customer of the discontinuance of service, and corrective actions shall be taken by the customer before service will be restored.

13. Booster Device. The District prohibits the attachment of any booster pump to a service on the customer's side of the meter and the use of any other method whereby the customer's share of available water to the main to which the meter is attached is increased beyond the amount which would otherwise be delivered through such meter.

14. Customer's Facilities. The District shall not be responsible for open appliances or faulty fixtures or broken or damaged pipes not for loss of water beyond the meter outlet.

15. Removal of Unauthorized Water Distribution Facilities. In the event that a District representative identifies unauthorized water distribution facilities that connect to the District water system, or otherwise transport District water, a District representative may remove such unauthorized water distribution facilities and store same at the District Office until such user(s) or customer(s) comply with District rules and regulations and State and local law regulating water services.

Deleted: <#>Protective Devices and Cross Connections. The customer must comply with State and Federal laws governing the separation of dual water systems or installations of back flow protective devices to protect the public water supply from the danger of cross connections. A protective device shall be required whenever there exists on any customer's premises another source of water supply or whenever the customer's premises are engaged in industrial processes using or producing process waters or liquid industrial waters or in handling sewage or any other dangerous substance. Back flow protective devices must e of a design approved by the California State Board of Public Health and shall be installed at the expense of the customer as near the service as possible and shall be open to test and inspection by the water department. Plans for installation of back flow protective devices must be approved by the water department prior to installation. The customer shall be responsible for the maintenance and repairs of such protective device. .

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Comment [RB8]: Added by ordinance 64 6/21/85

ARTICLE 7. METERS

1. Installation. All services shall be metered. A sum of money as set forth in the rate schedules shall be deposited with the District prior to installation of the facilities to pay all of the cost of said installation. Title to the meters shall be held by the District.

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2. Meter Installations. Meters will be installed at the curb or property line or next to the water main at the discretion of the District.

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3. Change in Location of Meters. Meters relocated for the convenience of the customer will be relocated at the customer's expense. An advance deposit shall be required for every relocation. Any relocation must be approved by the Manager. Meters moved to protect the District's property will be moved at the District's expense. Meters shall be relocated only by the water District or under its supervision. By resolution the Board may provide for the customer's paying for a new service if the relocation of the meter exceeds a distance specified in the resolution. This section applies only to the change in location of a meter at a single premise.

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4. Meter Reading. Meters of customers on domestic and certain shall commercial property shall be read bi-monthly as near the end of the month in which the meter reading is to be done as practicable.

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5. Obstruction of Meter. It is the responsibility of the customer to maintain clear access to the meter at all times. No earth, rock, pavement, vegetation, construction, appurtenances, vehicle or obstructions of any kind whatsoever shall be allowed to interfere with or obstruct access of District personnel or representatives in the performance of their duties regarding the meter and its appurtenances and District facilities. Violation of this section shall result in District personnel posting on the premises a written notice of violation with directions to correct the problem within five days. Failure to correct the violation within five days after the notice is posted shall result in the District employing whatever alternate means are necessary to proceed with District operations, and all costs incurred plus a ten percent penalty as a result of failure to timely correct the violation and maintain clear access to the District meter shall be charged to the customer.

6. Meter Tests—Deposit. All meters will be tested prior to installation, and no meter will be installed which registers more than two per cent (2%) fast. Any customer may request that the meter serving his premises be tested by the water district. Such request shall be in writing and shall be accompanied by a deposit as fixed by the Board by resolution. Upon receipt of such request and the required deposit, the Manager shall cause the meter to be tested. The customer shall have the right to require the District to conduct the test in his presence, or in the presence of his representative. If the meter is found to register more than two per cent more water than actually passes through it, the deposit will be retained by the District.

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7. Adjustment for Meter Errors. If the meter shall be found to register over two percent more water than actually passes through it, the water bill for the current month shall be adjusted proportionately.
8. Meter Maintenance. The District shall maintain, repair and renew all meters when such maintenance, repair, or renewal is made necessary by reason of normal wear and tear.
9. Meter Test Deposit, Amount of. The meter testing deposits required to be made shall be \$25.00.
10. Policy on Water Connection Transfers. No water service connections or meters shall be transferred from one premises or parcel to another as provided herein.
11. Development of a Transfer Tracking System. The District Manager shall develop and implement a Water Meter Transfer Tracking System in the District.
12. Exclusions from the Water Meter Transfer Policy. No meter shall be transferred if any of the following situations occur:
- 12a. A main extension is required.
- 12b. Any exceptions to District rules and regulations are required.
- 12c. A parcel to which a meter is to be transferred is located in a water connection moratorium area.
- 12d. A parcel to which a meter is to be transferred requires a larger meter, a different building zoning, different uses or requirements.
- 12e. The parcel from which the meter is to be transferred is developed or has an existing structure which is, or has been served by the meter to be transferred.
13. Conditions on the Transfer of Water Meters. Water meter transfers are subject to the following conditions.
- 13a. A customer must file a written request for a water service meter transfer with the Board describing the transfer and the reasons for such a transfer.
- 13b. The Board shall consider a maximum of 5 transfers per year and give approval to transfer requests only during July of any year.
- 13c. The customer may transfer a water meter service from and to another parcel within the District only if that customer is the owner of record of both parcels.
- 13d. In no event shall service be permitted to both the transferor and the transferee parcels at the same time. Upon transfer of the water service meter to a different parcel, all service to the other parcel shall be terminated.
- 13e. For parcels that have had their connection transferred away, current meter fees are to be paid as provided in Ordinance No. 8.
- 13f. The District Manager shall note on all applications for connections, that the meter may be transferred and the property owner is advised to check with the District to ensure a meter is currently on the parcel.
- 13g. All transfers shall be approved only if a document is recorded with the property the meter has been transferred from showing that the meter for the property no longer exists.
- 13h. Customers transferring meters shall pay all costs for termination of the old service and installation of the transferred meter in accordance with District rules and regulations, less credit for any previous payments toward installation costs, if the meter has not already been installed.

Comment [RB9]: 11-14 amended by Ordinance 69, 5/18/86

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13. Transfers require the installation of the proposed meter to be transferred, and termination of any existing service facilities on the parcel from which the meter was transferred, within 60 days of approval by the Board.

14. Meters Existing in District Records. Only connections existing in District records shall be honored for transfer by the District. All other parcels not shown in District records as having a water meter connection shall be subject to Ordinance No. 8 on Connection fees.

ARTICLE 8. CREDIT

1. Establishment and Maintenance of Credit. The Board, as prescribed by resolution, may require from each applicant for water service a security deposit in an amount not exceeding one year's charges either from persons receiving water service or from the owners of the property to which or in connection with which water service is rendered. The Board may require a guarantee by the owner of property that bills for service to the property or the occupants thereof will be paid.

2. Application of Deposit to Water Bill. The District may apply, without notice, the amount of any deposit prescribed herein toward the payment of any water bill or other indebtedness which may become past due and owing to the District and to unpaid bills for water service when such service has been discontinued.

3. Replacement or Change of Deposit. The Manager of the District may require, as a condition of service at any time, that the deposit prescribed herein be replaced if the deposit or any part thereof has been applied to the payment of any bill or indebtedness to the District, or may require that the deposit be increased if depleted, found to be insufficient or good cause otherwise exists.

4. Return of Deposit. The deposit made by any applicant or property owner may be refunded upon discontinuance of service, the District shall refund any balance in the customer's deposit in excess of unpaid bills or other indebtedness to the District.

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ARTICLE 9. BILLING

1. Billing Period. The regular billing period will be monthly or bi-monthly at the option of the District.

2. Opening and Closing Bills. Opening and closing bills for less than the normal billing period shall be pro-rated both as to the basic charges and quantity blocks

3. Payment of Bills. Bills for water service shall be mailed or delivered to each customer as soon as convenient after the reading of the meter. Bills shall be payable upon presentation.

4. Commencement of Liability for Monthly Basic Charge. The applicant shall become a customer of the District and shall become liable for and shall be billed for the basic monthly charge from the date that the water meter is set.

5. Whenever a customer desires a billing at a time other than the normal bi-monthly billing period, the customer requesting the bill shall pay to the Water District an advance fee of \$20.00. The District shall read the meter, calculate the bill to the date read, and mail a bill marked "mid-term billing" to the customer. The special billing would appear on the owner's account, and would show as a

prior balance if not paid. The owner of the property is responsible for this bill, as other bills.

6. Billings of Separate Meters not Combined. Separate bills will be rendered for each meter installation except where the water district has, for its convenience, installed two or more meters in place of one meter.

ARTICLE 10. DISCONTINUANCE OF SERVICE

1. Disconnection for Non-Payment. Service may be discontinued for non-payment of a bill for water service, if the bill is not paid within thirty (30) days after presentation. At least five days prior to such discontinuance the customer will be sent a final notice informing such customer that discontinuance will be enforced if payment is not made within the time specified in such notice. The failure of the District to send or the failure of any person to receive such notice shall not affect the District's powers hereunder.

2. Charges During Discontinuance of Service. After discontinuance of water service for violation of a San Lorenzo Valley Water District Ordinance, the customer shall pay to the District a Turn-Off Charge of \$20.00 each time the customer violates a District ordinance after that customer's water has been turned off.

3. Unsafe Apparatus. Water service may be refused or discontinued to any premises where apparatus or appliances are in use which may endanger or disturb the service to other customers

4. Cross Connections. Water service may be refused or discontinued to any premises where there exists a cross connection in violation of this ordinance, State or Federal laws.

5. Fraud or Abuse. Service may be discontinued if necessary to protect the District against fraud or abuse.

6. Non-compliance with Regulations. Service may be discontinued for non-compliance with this or any other ordinance or regulations relating to the water service.

7. Discontinuance Upon Vacating Premises. Customers desiring to discontinue service shall notify the District reasonably well in advance of the desired date of discontinuance. The customer shall be required to pay all water charges until the date of discontinuance. At the time of discontinuance, the meter will be read and a closing bill rendered. Unless discontinuance of service is ordered, the customer shall be liable for charges whether or not any water is used.

ARTICLE 11. COLLECTION BY SUIT

1. Penalty. Penalties shall be established by ordinance for unpaid rates and charges.

2. Suit. All unpaid rates, charges and penalties may be collected by suit.

3. 48-Hour Notice. If an employee is dispatched to leave a 48-hour notice due to non-payment, failure to sign up for service, a returned check on water bill or sewer bill, or any other reason, but prior to the actual disconnection of the service, the customer shall pay to the District a charge of \$20.00

4. Returned Check—Charge For. For any check tendered to the District in payment of rates or charges under this ordinance which is returned by the bank upon which it is drawn because of insufficient funds, no account, or other similar

Deleted: Penalties for Non-Payment. In addition to the discontinuance of service as provided in Article 10 of this ordinance, the Board may provide for a basic penalty for non-payment of charges for water service within the time and in the manner prescribed. Such penalty shall not be more than ten per cent (10%) of each month's charges for the first month delinquent. In addition to the basic penalty, the Board may provide for a penalty of not exceeding one-half of one percent per month for non-payment of the charges and basic penalty. -

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Comment [RB10]: Per note. Conflicts with Article 9.9?

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reason, the person on whose account such check was tendered shall pay a handling charge of \$10.00 in addition to any other penalties provided by law, and any charges imposed by a bank on the District's account. Written notice will be sent to the customer to pay the returned check and the \$10.00 charge within ten days, either by cash or certified check. After the ten days have expired, the procedure for the 48-hour notice and discontinuance of service shall apply.

5. Installment Payments, Interest. The manager may enter into an arrangement with any customer against whom there are unpaid rates, charges, and penalties whereby the customer may pay such unpaid rates, charges and penalties in installments, provided such unpaid rates, charges and penalties are paid within twelve (12) months from the date of delinquency and provided that there shall be included in the installments interest on such unpaid rates, charges and penalties at the rate of ten percent (10%) per annum from the date of delinquency. The provisions of this section shall not be in lieu of other procedures contained in the District's rules and regulations for the collection of delinquencies, but shall be an additional and separate procedure for collection unpaid rates, charges, and penalties.

6. Lien Procedure for Unpaid Charges for Water or Other Services. Pursuant to California Water Code, if there are delinquent and unpaid charges for water and other services that remain delinquent and unpaid for sixty (60) days or more, the District may proceed to collect those charges by recording a lien upon the real property as set forth herein.

6a. Notice of Delinquent and Unpaid Charges to Holder of Title to Land. The District shall notify the holder of title to land whenever delinquent and unpaid charges for water or other services which could become a lien on such property pursuant to this ordinance and California Water Code remain delinquent and unpaid for sixty days.

6b. Annual Statement of Delinquent Charges to County for Collection With Taxes—Lien on Real Property. If there are delinquent and unpaid charges for water or other services that remain delinquent and unpaid for sixty days or more, the Board of Directors shall, annually, on or before August 1st of each year, furnish to the County Board of Supervisors and to the Auditor, a written statement of those charges that remain delinquent and unpaid for sixty days or more on July 1st of each year. The amount of any charges for water and other services included in said statement shall be added to and become a part of the annual taxes next levied upon the property which is delinquent, and shall constitute a lien on that property as of the same time and in the same manner as does the tax lien securing such annual taxes.

6c. Certificate Against Person Liable for Charges: Lien Against that Person's Real Property (Renters). In addition to furnishing an annual statement of unpaid and delinquent charges to the County for collection with the annual property taxes, the District may secure the amount of unpaid charges at any time by filing for record in the office of the County Recorder a certificate specifying:

6c1. The amount of such charges.

6c2. The name and address of the person liable therefor.

Comment [RB11]: Added by ordinance 34, 6/18/81

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From the time of recordation of the certificate, the amount required to be paid together with interest and penalty constitutes a lien upon all real property in the County owned by the person or acquired by him at any time before the lien expires. The lien has the force, priority and effect of a judgment lien and shall continue for ten years from the date of the filing of the certificate unless sooner released or otherwise discharged.

7. **Deducting Delinquencies and Other Debts from Disbursements.** Whenever a person has incurred any delinquency, debt, or other financial obligation to the District for any District services rendered or materials or equipment supplied, the amount of such obligation due the District may be deducted from any deposits, credits, refunds or other disbursement from the District to such person, at the discretion of the District Manager.

Comment [RB12]: Added by Ordinance 53, 9/4/84

8. **Transfer of Delinquent Account to Active Account of Same Owner.** If a District customer receives water or sewerage services at more than one location and has more than one account with the District and if such customer terminates one customer leaves an account with a balance owing and subsequently desires to open a new account with the District, such balance owing or such delinquency may be transferred to any other new or active service account held by the same customer.

9. **Collection of Current Yearly and Delinquent Charges for Wastewater Management Systems and Services with General Taxes: Authorization.** Health and Safety Code and the Water Code authorize the District to prescribe and collect fees and charges for sanitation and sewerage facilities and services, and further provide for the collection of current yearly and delinquent charges with general taxes as set forth herein, as an alternative to any other collection procedure.

Comment [RB13]: Sections 9-21 added by Ordinance 67, 4/7/86

10. **Adoption of Collection Procedure.** The procedure for the collection of current yearly and delinquent charges for wastewater services with general taxes as an alternative collection method as set forth in the Health and Safety Code is hereby adopted by the Board of Directors of the San Lorenzo Valley Water District and made a part of Ordinance 8.

11. **Election by Board of Directors to Collect Fees on Tax Roll.** The Board may, by ordinance or resolution approved by a two-thirds vote, elect to have current yearly and delinquent charges and fees for the sanitation and sewerage facilities and services collected n the County tax roll together with general taxes.

12. **Written Report.** As required by Health and Safety Code, if the Board elects to implement the described collection procedure, it shall require a written report to be prepared each year and filed with the District Secretary, which shall contain a description of each parcel of real property receiving such services and facilities and the amount of the charge which is current yearly and delinquent for each parcel for the year computed, in conformity with the District ordinance or resolutions fixing such charges.

13. **Publication of Notice of Report and Hearing.** The District Secretary shall cause notice of the filing of said report and of the time and place of the hearing thereon to be published pursuant to Government Code 6066, once a week for two

successive weeks prior to the date set for hearing, in a newspaper of general circulation within the county.

14. Mailed Notice. Before collecting such charges on the tax roll for the first time, the District Secretary shall cause a written notice of (1) the filing of the written report; (2) the proposed collection of the charges with the general taxes and (3) the time and place of the public hearing on the report and collection to the person named on the last equalized assessment roll available at the address shown or as known to the Secretary. If the Board adopts the report, then the requirements for written notice shall not apply to hearings on reports prepared in subsequent fiscal years and notice by publication shall be adequate.

15. Noticed Public Hearing. At the notice of public hearing, the Board shall hear and consider all objections or protests, if any, to said report and may continue the hearing from time to time. If the Board finds that protest is made by the owners of a majority of separate parcels of property listed in the report, then the report shall not be adopted and the charges shall be collected by alternate methods.

16. Determination by Board. Upon conclusion of the hearing, the Board may adopt, change, reduce, or modify any charge or overrule any or all objections and shall make its determination on each charge as described in said report which determination shall be filed.

17. Filing of Report. On or before the tenth day of August of each year following such final determination, the District Secretary shall file with the County Auditor a copy of said report with a statement signed by the Secretary that the report has been finally adopted by the Board of Directors. The County Auditor shall enter the amount of the charges against the respective lot or parcels of land as they appear on the current assessment roll. Where any such parcels are outside the boundaries of the District, they shall be added to the assessment roll of the District for the purpose of collecting such charges. If the property is not described on the roll, the auditor may enter the description thereon together with the amounts of the charges, as shown on the report.

18. Lien. Except as provided in Health and Safety Code 5473.8 regarding bona fide purchasers for value without prior recorded notice, the amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed as of noon on the first Monday in March immediately preceding the date of levy.

19. Inclusion of Charges in Bills for Taxes. The tax collector shall include the amount of the charges on bills for taxes levied against the respective lots and parcels of land.

20. Collection; Delinquency Date; Penalty. Thereafter the amount of the charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties. All laws applicable to the levy, collection and enforcement of general taxes are applicable to such charges.

21. Lien; Recording, Force, Effect, and Priority. Charges for services and facilities furnished by the District shall constitute a lien against the lot or parcel of land against which the charge was imposed if said charges remain delinquent for a

period of 60 days, and the District shall include a statement to each property owner which shall notify the property owner of the lien provided by this section for delinquent payment of charges. The lien provided herein shall have no force or effect until recorded with the County Recorder, and when so recorded shall have the force, effect and priority of a judgment lien, and continue for three years from the time of recording unless sooner released or otherwise discharged.

ARTICLE 12. COMPLAINTS AND DISPUTED BILLS

1. Report and Adjustments. Should any customer have complaints with regard to water service or should a customer dispute the correctness of a bill for water service, such customer shall contact the Manager for adjustment.
2. Complaints at Board Hearing. Should a customer be unable to have his complaints satisfied by the Manager, the customer may either submit his complaint in writing with a full and detailed explanation to the Board, or he may appear in person before the Board at its regular monthly meeting.
3. Disputed Bills. If a disputed bill cannot be adjusted between the customer and the Manager, the customer within twenty (20) days after the bill becomes due and payable may deposit with the District the amount of the disputed bill, together with a full explanation of the dispute. The remittance so deposited shall be made payable to the District, and the District shall be notified that the deposit is against a disputed bill. At its regular meeting following receipt of the deposit, the Board will hear the dispute and will render its decision thereon. The hearing for good cause may be continued to the next regular meeting of the Board. Service will not be discontinued pending the outcome of the hearing, provided that subsequent bills are paid or the amount thereof deposited unconditionally with the District.

Deleted: <#>Costs. Defendant shall pay all costs of suit in any judgment rendered in favor of the District. ... [7]

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Deleted: Final action by the Board on complaints shall not be delayed more than to the next regular meeting, unless the complaining customer consents to a further continuance.

ARTICLE 13 PUBLIC FIRE PROTECTION

1. Use of Fire Hydrants. Fire hydrants are for use by organized fire protection agencies. Other parties desiring to use fire hydrants for any purpose must first obtain written permission from the District prior to use and shall operate the hydrant in accordance with instructions issued by the District.
2. Penalties. The Board may provide penalties for the unauthorized use of hydrants. Unauthorized use of hydrants will be prosecuted according to law.

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ARTICLE 14. PRIVATE FIRE PROTECTION SERVICE

1. Payment of Cost. The applicant for private fire protection service shall pay the total actual cost of installation of the service from the distribution main to the customer's premises including the cost of a detector check, meter or other suitable and equivalent device, valve and meter box, said installation to become the property of the District.
2. No Connection to Other System. There shall be no connections between this fire protection system and any other water distribution system on the premises.
3. Use. There shall be no water used through the fire protection service except to extinguish accidental fires and for testing the fire equipment.
4. Meter rates. Any consumption of water recorded on the meter will be charged for at such rates as the Board may fix by resolution, except that no charge will be

made for water used to extinguish accidental fires where such fires have been reported to the fire department.

5. Monthly rates. The monthly rates for private fire protection shall be established by the Board.

ARTICLE 16. RATES

1. Establishment of Rates. The Board may by resolution establish the rates for all services which the District is authorized to furnish. Such rates shall be fixed to apply uniformly throughout the District or within areas within the District according to the circumstances that prevail in such areas.

ARTICLE 17. SEWERAGE RULES, REGULATIONS, RATES, AND CHARGES.

~~1. VALLEYWIDE WASTEWATER MANAGEMENT PROJECT— CLASS 1.~~

~~1a. Engineering and Design Charge: Class 1 Areas of Valleywide Wastewater Management Project. The charge for engineering and design costs to owners of parcels within the Class 1 area of the Valley Wastewater Management Project is Ten Dollars (\$10) per month, which shall be billed and payable on a quarterly basis for a quarterly bill of Thirty Dollars (\$30.)~~

~~1b. Unbuildable Parcels. Unbuildable parcels are defined as vacant parcels that have been determined by the County Planning Department to be unbuildable on the following basis: the parcel is located in a flood plain; the parcel has no access; there is slope instability on parcel; the parcel does require a sewer connection but has no sewer connection and no entitlement to a sewer connection. Such unbuildable parcels shall be retroactively eliminated from the billing list established pursuant to Ordinance 50.~~

~~1c. Vacant Adjacent Parcels. Vacant adjacent parcels are defined as one or more continuous undeveloped parcels which meet the following criteria:~~

~~1c1 a. The vacant parcels are adjacent to a parcel which is either developable or developed with one dwelling unit; and~~

~~1c2. b. The developed parcel is eligible for one sewer connection; and~~

~~1c3. c. All of the adjacent parcels share a common ownership. Such vacant adjacent parcels shall be retroactively eliminated from the billing list established pursuant to Ordinance 50.~~

~~1d. Penalty for Non-Payment of Valleywide Wastewater Charges Rendered Prior to February 4, 1985. A penalty of \$15 per parcel shall be charged for billings rendered prior to February 4, 1985, but unpaid, for those charges established under 17.1a. This penalty shall be effective 60 days after the date of this ordinance and shall be applied to all accounts which there remains more than a \$2.00 outstanding balance.~~

~~1e. Penalty for Non-Payment of Valleywide Wastewater Charges Rendered After Feb. 2, 1985. A penalty of \$5.00 per parcel shall be charged for each billing rendered after Feb. 4, 1985 that remains unpaid 60 days after billing. This penalty shall apply to those charges established under 17.1a.~~

~~1f. Collection of Delinquent Accounts on the Tax Bill. Accounts with charges and penalties that have been unpaid for 60 days and remain unpaid as of July 1 of each year shall be delinquent and shall be placed upon the tax rolls according to Section 31701 of the Water Code.~~

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Comment [RB14]: Ordinance 50 and 54 1984

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Comment [RB15]: 1d-f added by Ordinance 56, 2/4/85

171g. Complete Buyout of Valleywide Wastewater Debt. Each property owner who is subject to section 171a shall have the option of paying off the entire debt attributable to that owner's parcel. The buyout shall be \$659.76 for Class 1 parcels, plus interest and expenses from Jan. 20, 1985, less credits due to past payments. Expenses for future costs of these projects incurred after the buyout are estimated at \$33.67 for Class 1. These costs shall be added to the buyout as of the effective date of this ordinance.

Comment [RB16]: Added by ordinance 66 4/7/86

1h. Refund of Estimated Expenses. Once the amounts of the future expenses are finally determined, the District Manager shall refund upon the determination of the Board, any prorated amounts to buyout customers, if the future expenses are less than anticipated.

2. Regulation of Sewerage Discharge—Bear Creek Estates.

Comment [RB17]: Section two added by ordinance 60 5/6/85

2a. Purpose. The purpose of this Ordinance is to control and regulate sewage, liquid waste and industrial waste discharges into the sewerage system and treatment facilities of Bear Creek Estates Units 3, 4, and 5 and maintained by the San Lorenzo Water District. This Ordinance provides quality and quantity standards in order to comply with all applicable State and Federal laws required by the provisions of the Clean Water Grant Program and requirements of the California Regional Water Quality Control Board.

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2b. Scope. This wastewater discharge ordinance sets uniform requirements for discharges into the wastewater collection and treatment system and enables the San Lorenzo Valley Water District to comply with the administrative provisions of the Clean Water Grant regulations. The water quality requirements are set by the Regional Water Quality Control Board and the applicable effluent limitations, national standards of performance, toxic and pretreatment effluent standards, and any other discharge criteria which are required or authorized by State or Federal law, and are to derive the maximum public benefit by regulating the quality and quantity of wastewater discharged into those systems. This Ordinance provides for the establishment of a surveillance and enforcement procedure to control the discharge of quality and quantity of certain wastes. Revenues derived from the costs required by this Ordinance shall be used to defray the District's cost of conducting operation and maintenance of the system. The provisions of the Ordinance shall apply to the discharge of all wastes to a public sewer of the San Lorenzo Valley Water District's Bear Creek Estates Units 3, 4, and 5 wastewater treatment facility.

2c. Policy. The San Lorenzo Valley Water District protects the health, welfare and safety of the local residents by constructing, operating and maintaining a system of local sewers and laterals, trunk sewers and interceptors, and liquid waste treatment and disposal facilities that service the homes of residents in Bear Creek Estates Units 3, 4, and 5. The following basic policies apply to sewage and liquid waste discharged into the sewerage system provided such wastes will not:

2c1. Contain toxics or other pollutants in amounts of concentration that endanger public health.

2c2. Detrimentially affect the local environments;

2c3. Create nuisances such as odors, insects, etc.

2c4. Endanger the physical integrity of the treatment works;

2c5. Impose excessive collection, treatment or disposal costs on the District;

2c6. Significantly interfere with wastewater treatment processes; or
2c7. Cause violation of effluents or water quality limits and quantity requirements hereinafter established.

The highest and best use of the sewerage system is the collection, treatment, and reclamation or disposal of domestic sewage. The use of the sewerage system for industrial waste discharges is strictly forbidden by this Ordinance. Users of the system will be required to comply with requirements as established by (1) The Environmental Protection Agencies of the United States; (2) California Regional Water Quality Control Board; (3) Santa Cruz County, and (4) San Lorenzo Valley Water District when discharging sewage and/or applying for approval to hook up a new home to the system and begin the discharge of sewage to the system.

2d. Inspection. Adequate identification shall be provided by the District Manager for all inspectors or other authorized personnel and these personnel shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor. Inspection of every facility that is involved with the discharge of waste to the sewage collection and treatment facilities may be made by the District Manager or his representative. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of this Ordinance. Access to all facilities connected to the sewerage system shall be given to authorized personnel at all reasonable times or at other times when occasioned by emergency conditions. No person shall interfere with, delay, resist or refuse entrance to an authorized inspector attempting to inspect any waste generation, conveyance or treatment facility connected to the sewerage system.

2e. Enforcement of Ordinance. The District Manager shall administer, implement and enforce all the provisions of this Ordinance, Ordinance 41, 42, and Article 10 as may be deemed applicable by the District Engineer. Any powers granted to or duties imposed upon the District Manager may be delegated by him to persons acting in the beneficial interest of or in the employ of the District.

2f. Penalty for Violations. Any person who knowingly makes any false statement, representation, record, report, plan, or other document filed with the Regional Water Quality Control Board and/or the State Water Resources Control Board, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required by the laws of the State of California shall be punished by a fine of not more than ten thousand dollars (\$10,000) or by imprisonment in a county jail for not more than six months or by both. Article 10, Ordinance 8 Discontinuance of Service may be enforced.

Any person who willfully or negligently discharges pollutants except as allowed by waste discharge requirements or who willfully or negligently violates any effluent standard, water quality related effluent standard, national standard of performance, toxicity, or who violates any cease and desist order, prohibition, or waste discharge requirements shall be punished by a fine of not more than twenty-five thousand (\$25,000) nor less than two thousand five hundred (\$2500) for each day in which such violation occurs, or by imprisonment for not more than one year in the county jail, or by both. If the conviction is for a violation committed after a first conviction of such person under this section, punishment shall be by a fine of not more than fifty

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thousand dollars (\$50,000) for each day in which such violation occurs, or by imprisonment for not more than two years in the county jail or both.

In the event of such violation, the District shall, upon authorization of its Board of Directors, petition the superior court to impose, assess, and recover such sums.

2g. Notice. Whenever the District Manager finds that any person has violated or is violating this Ordinance, or any prohibition, limitation, or requirement contained herein, he may serve upon such person a written notice stating the nature of the violation and providing a reasonable time, not to exceed thirty (30) days for the satisfactory correction thereof. Such notice shall be served in person or by registered or certified mail. If served by mail, the notice shall be sent to the last address known to the District Manager. Notice shall be deemed to have been given at the time of deposit, postage prepaid, in a facility regularly serviced by the United States Postal Service.

2h. Time Limits. Any time limit provided in any written notice or in any provision of this Ordinance shall be extended only by a written direction of the District Manager.

2i. Establishment of Rules and Regulations. The District Manager is hereby authorized and empowered to adopt such rules, regulations and standards as may be deemed reasonably necessary to protect the District sewerage facilities, to control and regulate the proper use thereof; provided, however, that the terms and provisions of such rules and regulations shall be promulgated in a manner best directed to result in the uniform control of the sewerage systems within the District. District Manager shall, from time to time as he deems necessary, prepare additional rules and regulations as to the quality of the sewage or liquid waste discharged to the sewerage facilities of the District, and act to modify or amend such existing rules and regulations as he deems necessary. A discharger shall have the right to appeal any rule, regulation or standard on the grounds of extreme hardship, before the Board of Directors.

2j. Reconsideration and Appeal Procedures. If the ruling made by the District Manager is unsatisfactory to the person requesting reconsideration, the person may make a written appeal to the Board of Directors within 45 days after notice of the action taken by the District Manager. The written appeal shall state all the pertinent aspects of the matter. Within forty-five days after the written appeal is received, the Board of Directors shall hold appear personally or through counsel, cross examine witnesses, and present evidence in his own behalf. Notice of the hearing shall be given at least fifteen days prior to the date of the hearing. Within 45 days after the hearing is closed, said Board of Directors shall make a final ruling on the appeal.

2k. Payment of Charges and Delinquencies. All fees and charges made pursuant to the provisions of this Ordinance and the approved Schedule of Fees are due and payable upon receipt of notice thereof. All such charges shall be and become delinquent twenty days after mailing or delivering notice thereof to the mailing address of the person subject to charges. All delinquent charges shall be deemed a violation of this Ordinance and each day any such charge remains delinquent shall be deemed a separate violation. Article 10 and Ordinance 9 will be enforced.

2l. Recording of Fees and Charges. The District shall keep a permanent and accurate account of all fees and charges received under this Ordinance, giving the names and

addresses f the persons on whose accounts the fees and charges were paid, the date and amount thereof, and the purpose for which charges were paid.

2m. Unless otherwise provided herein, whenever the fee and charges required by this Ordinance are based on estimated values or estimated quantities, the District Manager shall make such determination in accordance with established estimating practices.

2n. Any charge that becomes delinquent shall have added to it a basic penalty charge equal to ten (10) percent of the charge that became delinquent and thereafter an additional penalty shall accrue on the total charge due, including the ten percent basic penalty, at the rate of one-half of one percent (0.5%) per month until paid in full.

2o. Collection. Upon direction of the Board of Directors any delinquent charge and all penalties including court costs and legal fees thereon, shall be collected by lawsuit in the name f the District. Any such action for collection may include an application for an injunction to prevent repeated and reoccurring violations of this ordinance.

2p. Malicious Damage to Sewerage Facilities. Any unauthorized entering, breaking, damaging, destroying, uncovering, defacing or tampering with any structure, equipment or appurtenance which is a part of the District sewerage system shall be a violation of this Ordinance, and subject to prosecution under applicable laws.

2q. Prohibited Waste Discharges. The constituents prohibited by this Ordinance provide specific limits are established. In some cases, the concentration or amount of any particular constituents which will be judged to be excessive or unreasonable cannot be foreseen but will depend on the results of technical determinations relating to the particular situation and the actions of regulatory agencies. No discharger shall discharge or cause to be discharged to a public sewer, which connects to the District sewerage system, the following wastes:

2q1. Any explosive mixtures, i.e. liquids, solids, or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious to the sewerage facilities or the operation of the system. Prohibited materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, ethers, and peroxides.

2q2. Any toxic substances in amounts exceeding standards promulgated by the Administrator of the United States Environmental Protection Agency pursuant to Section 307(a) of the Act and chemical elements or compounds phenols, or other taste or odor-producing substances, which may cause public nuisance or hazardous conditions to occur in the sewerage system, or any other substances which are not susceptible to treatment or which may interfere with biological processes or efficiency f the treatment system or that will pass through the system or which may cause abnormal increase in the operation costs of the treatment system.

2q3. Any waste which will cause corrosion or deterioration of treatment system. All wastes discharged to the public sewer system must have a PH value not less than 6.5 and not more than 8.4 standard units. Prohibited materials include, but are not limited to, acids, caustics, sulfides, concentrated chloride and fluoride compounds, and substances which will react with water to form acidic products.

2q4. Solid or viscous wastes which will or may cause obstruction to the flow in a sewer, or otherwise interfere with the proper operation of the wastewater treatment system. Prohibited materials include, but are not limited too, grease, un-comminuted garbage, animal guts or tissues, paunch manure, bones, hairs, hides or flesh, entrails,

whole blood, feathers, ashes, cinders, sand spent lime, stone, or marble dust, polishing compounds, resin beads, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, and similar substances.

2q5. Any unpolluted water including, but not limited to, water from swimming pools or spa systems or storm water origin, which will increase the hydraulic load on the treatment system.

2q6. Oil and grease concentrations.

2q7. Any garbage that is not ground sufficiently to pass through a 1/2" screen.

2q8. Any amounts of suspended solids exceeding a concentration of 500 mg/l.

2q9. Any wastes with amounts of dissolved solids which may cause violation of the Regional Water Quality Control Board requirements.

2q10. Any wastes which have chloride concentrations greater than Regional Water Quality Control Board discharge requirements.

2q11. Any wastes containing over 0.1 mg/l of dissolved sulfides.

2q12. Any waste containing organophosphorous and carbonate compounds in amounts greater than 1.0 mg/l.

2q13. Any water added for the purpose of diluting any wastewater discharge which would otherwise exceed applicable constituent concentration limit shall be considered a violation of this ordinance.

No person shall discharge or cause to be discharged to any public sewer which connects to the District sewerage system any sewage, liquid waste or industrial waste, if in the opinion of the District Manager such discharge may have an adverse or harmful effect on sewers maintenance personnel, sewage treatment plant personnel or equipment, treatment plant effluent quality, public or private property, or may otherwise endanger the public or local ecological system or create a public nuisance. The District Manager in determining the acceptability of specific wastes, shall consider the nature of the waste and the adequacy and nature of the collection, treatment, and disposal system available to accept the waste. Affected persons shall have the right of appeal before the Board of Directors as set forth in Section 17.2j if the District Manager's determination creates an extreme hardship or is considered unreasonable.

2r. Liquid Waste Sampling, Analysis and Flow Measurements. Periodic measurements of flow rates, flow volumes, Chemical Oxygen Demand and suspended solids shall be made as determined by the District Manager. All sampling, analyses, and flow measurements of industrial or liquid wastes shall be performed by a District approved laboratory or by District personnel. All sewage analyses shall be conducted in accordance with the appropriate procedure contained in the current edition of "Standard Methods." If no appropriate procedure is contained therein, the standard procedure of the industry or a procedure judged satisfactory by the District Manager shall be used to measure flow constraints and constituents. Any laboratory or public agency performing tests shall furnish any required test date or information on the test methods or equipment used, if requested to do so by the District Manager. The sampling, analysis and flow measurement procedures, equipment and results shall be subject at any time to inspection by the District. Sample and flow measurement facilities shall be such as to provide safe access to authorized District personnel.

2s. Damage to Sewerage Facilities or Processes By Prohibited Waste or Liquid Waste Discharge. Any discharger who negligently allows or intentionally discharges or causes the discharge of prohibited sewage liquid waste or industrial wastes to the public sewer and such discharge causes damage to District facilities r causes detrimental effects on District treatment processes shall be liable to the District for all damages occasioned thereby.

2t. Excessive Sewer Maintenance Expense. No dischargers shall discharge or cause to be discharged to a public sewer, any waste that creates a stoppage, plugging, breakage, any significant reduction in sewer capacity or any other damage to sewers or sewerage facilities of the District. Any excessive sewer or sewerage maintenance expenses or any other expenses attributed thereto will be charged to the offending discharger by the District.

2u. Availability of Sewerage Facilities. The sewerage capacity is limited to serve the residents in Bear Creek Estates Units 3, 4, and 5 and parcel number 89-241-16 inclusive. The specific parcel numbers of units to be served are as follows:
89.301.06; 89.301.07; 89.301.08; 89.301.21; 89.301.20; 89.301.11; 89.301.12; 89.301.13; 89.301.22; 89.301.16; 89.301.17; 89.301.18; 89.301.19; 89.301.02; 89.301.01; 89.301.03; 89.301.04; 89.301.05
89.291.01; 89.291.02; 89.291.03; 89.291.04; 89.291.05; 89.291.06; 89.291.07; 89.291.08;
89.282.03; 89.282.04; 89.282.05; 89.282.06; 89.282.07; 89.282.08; 89.282.09; 89.282.10;
89.281.24; 89.281.23; 89.281.22; 89.281.21; 89.281.20; 89.281.29; 89.281.33;
89.281.17; 89.281.16; 89.281.15; 89.281.14; 89.281.13; 89.281.04; 89.281.03;
89.281.02; 89.281.01; 89.281.12; 89.281.32; 89.281.31; 89.281.10; 89.281.10;
89.281.09; 89.281.08; 89.281.07; 89.281.06; 89.281.05;
89.421.16 (Note: Not in Bear Creek Estates)

The above parcels are the only parcels eligible for connection to the system.

The District may refuse or delay immediate service to new facilities in the above specified parcels if quantity or quality of wastewater is unacceptable in the available treatment facility.

2v. Discharge of Rainwater or Uncontaminated Water. No person shall discharge or cause to be discharged any rainwater, storm water, groundwater, street drainage, subsurface drainage, roof drainage, swimming pool, spa drainage, yard drainage, water from yard fountains, ponds r lawn sprays or any other uncontaminated water into any sewage facility owned by the District.

2w. Hookup Procedure for Parcels Designed to Be Incorporated into the System. A County building permit must be obtained prior to the request of the San Lorenzo Valley Water District for a permit to hook onto the system. The District will provide a letter of intent upon request by the parcel owner so a County building permit can be obtained. Once a permit request is filed with the San Lorenzo Valley Water District, one full set of plans will be required for Staff review of operation and proposed placement of mains and laterals for the collection of domestic wastewater. Prior to the issuance of the permit by the District, Staff will inspect the proposed site and review comments made by Santa Cruz County. If no errors or problems are encountered, a permit will be issued.

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All mains, laterals and manholes are to be constructed in accordance with Santa Cruz County codes and requisitions. Site inspections will be required during construction of the new laterals and mains to insure proper construction procedures. The following quality assurance tests must be met before acceptance of a new lateral, main or manhole is approved.

2w1. Infiltration Test. Infiltration is the quantity of water entering a sewer line from the groundwater through such means as, but not limited to, defective pipe, pipe joints, connections or manhole walls. The infiltration test will be used if the static groundwater level is above the top of the constructed pipe. No pipe section will be accepted if the infiltration rate exceeds 100 gallons per inch diameter of pipe per mile length of pipe per 24 hours.

2w2. Leakage Test. Leakage is the quantity of water that has to be added to the section of pipeline being tested to maintain the specified test head. With a minimum of four feet of water head on the pipe line, the allowable leakage will be computed by the formula $E=0.00002LDH$ where

E=the allowable leakage in gallons per minute of pipe tested

L=the length of pipe tested in feet

D=the internal diameter of the pipe in inches

H=the difference in elevation in the water surface in the upper manhole and the invert of the pipe at the lower manhole (feet)

2w3. Manhole Testing. Each manhole is to be tested by either w1 or w2 above depending upon the groundwater conditions at the site of the specific manhole.

Manhole Test—Infiltration. All laterals or mains running through the manhole will be plugged with gasket caps or plugs securely fastened or blocked to prohibit water from leaving the manhole. The amount of infiltration will be measured over a seven-day period and if the amount accumulated does not exceed 1.7 percent of the total volume of the structure, the test will be considered approved.

Manhole Test—Leakage: The test will be the same as for infiltration except the manhole will be filled to the maximum water surface level and measurements made at the beginning and end of the seven-day test period. If the water loss computed between the two water level readings does not exceed 0.7 percent of the total volume of water in the structure, the test will be considered approved.

2w4. Sewer laterals. All sewer laterals connected to existing sewer mains must be compatible with the type of main line materials. Quality assurance will be considered met when: (1) the District receives a submittal from the contractor performing the work noting the type and class of pipe to be used for the lateral and connection to the main, (2) District personnel is present when attachment to the main is accomplished for visual inspection of the connection and (3) when an as-build drawing is submitted by the contractor to the District showing the location of laterals connected to the main and all invert elevations of the work performed.

2w5. Obstruction Test. The obstruction test is to verify that the constructed main or lateral is constantly sloping to the treatment facility and that no physical damage has taken place during construction of the pipe line.

The obstruction test will be accomplished by either method below by District personnel.

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Light Inspection. Examine the pipe internally by means of a light held at one end and a mirror held at the other. Repeat test with light and mirror interchanged. Repair or correction of any misalignments, protuberances, defective portions or other defect will be required.

Ball Test. When light test is not feasible, a ball test can be conducted by passing through the pipeline a round non-compressible ball which is one inch less in diameter than the internal diameter of the pipeline. In the event the ball is not able to pass through the pipeline, repair of defective pipe section will be required.

Quality assurance of the constructed lateral, main or manhole will be considered approved when the above tests 1 through 5 are performed and all tests pass respective constraints and limits. Any deficiencies are to be corrected within five working days after the respective test. If the test fails after repairs are made the first time, the District Manager may, at his discretion, require the complete replacement of the constructed lateral, main or manhole.

All contractor test procedures and replacements will be carried out by the contractor at his own expense.

It is the owner's responsibility to maintain the sewer lateral from the residence to the street main collection system.

Any owner may request to sell his/her hookup right which is connected to his/her parcel separate from the parcel itself. Prior to the sale of the hookup right, the owner is required to notify and receive Santa Cruz County approval and San Lorenzo Valley Water District approval in writing. The owner will be required to file a public notice of no connection possibility for a parcel previously listed as available for hookup to the Bear Creek Estates system and that the parcel will not be required to meet all Class II requirements as specified by the State. There are only 60 maximum connectible parcels for Bear Creek Estates Sewerage Facilities.

A recorded attachment to the deed of the property would be required stating the information contained in the public notice above.

2x. Determination of Components. The determination of estimation of suspended solids or other components contained in sewage and liquid waste discharges shall be by one of the following methods:

2x1. Sampling and analysis by District personnel.

2x2. Estimates determined by a study of waste producing operations leading to the discharge.

Basic service costs include those for routine performance, inspections, enforcement, water utility monitoring, and general agency administrative costs and overhead. These services benefit all users to an equal degree and will be charged as an equal service fee to all users. Based on the agency budget adopted on Oct. 21, 1982, for fiscal years 1982-83, 1983-84, and 1984-85, the basic service fee will be \$45 per dwelling unit monthly equivalent. These costs will be collected in advance bi-monthly.

Special services costs include the services outlined below which benefit specific properties and which will be supported by the benefitting properties. Costs for these services will be accounted for separately and billed on an as-delivered basis to the benefitting properties in the subsequent basic services bill.

Construction Inspections: \$60 per lot.

Comment [RB18]: Note: Number 17.2w duplicated in original

Comment [RB19]: Revised 5/08 per note. Need new amount.

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Special Inspections: \$15.00 per lot.
Design Inspections/Review: \$15.00 per lot.
Legal Costs for Abatement: Charged at agency cost.
Permit for Hookup to System: \$750 per lot.
Sewer Main Extension Required by Developer: At cost of developer plus inspection costs.

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Costs are established by resolution of the Board of Directors and/or amendments to same. The residents and owners of the eligible parcels as specified in 17.2o are ultimately responsible for the costs to purchase, build, operate and maintain the system.

ARTICLE 18 CONTRACTS AND PURCHASING

1. All purchase of and contracts for supplies, materials, equipment and services shall be based, whenever feasible, on competitive bids or quotations. Notwithstanding the provisions of these regulations, if the expenditure for the routine purchase of supplies, materials, equipment or services is estimated to cost Five Hundred Dollars (\$500) or less, the District Manager may authorize such purchase without calling for competitive bids or quotations.
2. Public Notice. All contracts to be awarded by competitive bidding shall be advertised by posting notice on bid forms on a bulletin board at the office of the District, and by such further notice as herein specifically prescribed, and by such other form of notice as shall be determined by the Directors of the District.
3. All purchases shall be made from and all contracts shall be awarded to the lowest responsible bidder, except that when price and quality are equal, preference may be extended to local bidders.
4. Rejection of Bids. The Board of Directors hereby reserves the right and discretion to reject any and all bids if the Board determines that to do so would be in the best interest of the District, or for any other reason permitted by law.
5. Qualification of Bidders. The District may, and on contracts for which the estimated cost exceeds \$50,000 (Fifty Thousand Dollars) the District shall require that bidders establish that they are qualified and responsible to provide the services, equipment, and/or materials to perform the contract in a safe, efficient, reliable and timely manner. In order to evaluate those qualifications and to determine which low bid offers best response in quality, fitness and capacity to the District's requirements, prior to the award of the contract, the District shall require the low bidder or bidders to provide certain information as follows: (a) answer to questions contained in a standard form questionnaire and financial statement; (b) evidence of bonds and liability and workers' compensation insurance satisfactory to the District; (c) Evidence of a safety record acceptable to the District; (d) Necessary or appropriate licenses or certificates; and (e) an acceptable performance record with the District or any other public agency.
 - 5a. Questionnaire. The questionnaire shall include questions which will provide information which will provide a basis for the District to evaluate the bidder. Such information shall include, among other things, information relating to the experience of the bidder in projects of a similar type as the proposed project, and

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shall include references of previous employers. The questionnaire shall be signed by the bidder or an authorized designee under penalty of perjury.

5b. Financial Statement. The financial statement shall include information as required by the District for the District's use in determining the bidder's financial ability to perform the contract satisfactorily and shall be signed by the bidder or an authorized designee under penalty of perjury.

5c. Safety Record. The District may disqualify a bidder on the basis that the bidder's safety record is unacceptable. In evaluating the safety record, the District shall consider any violations of the CAL OSHA standards, the issuance of CAL OSHA citations, and the severity or liability exposure resulting from such citations.

5d. Performance Record with the District or Other Public Agencies. In evaluating the qualifications of a bidder, the District shall consider the bidder's performance record with the District or other public agencies. Such evaluation shall include, among other things, consideration of the bidder's overall performance, safety, quality, timeliness and compliance with the contract. Such evaluation shall also consider any outstanding claims or lawsuits involving the District and the bidder.

5e. Prequalification of Bidders. A prospective bidder shall have the option of prequalifying as a bidder on a given project. To exercise this option, a bidder must complete and submit a package of the required qualification information, statements and evidences as set forth herein no later than fifteen days prior to the bid opening. The District Manager will issue a preliminary finding as to whether the prospective bidder is qualified within 10 days after the completed qualification package is received.

5f. Appeal of Preliminary Findings. A bidder may appeal the District Manager's preliminary finding of disqualification to the Board of Directors. A disqualified bidder may submit a bid pending a determination by the Board of that bidder's qualifications. If that bidder is the low bidder the Board will consider the bidder's qualification and issue a finding prior to award of the contract.

5g. Disqualification of Bidders. The Board may disqualify any bidder who fails to submit the completed questionnaire, financial statement, licenses, safety record, bonds, insurances, or other required information in a timely manner. The Board may disqualify any bidder whose information as required is not satisfactory and acceptable to the Board. A bidder may be disqualified on the basis that the bidder, any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder, has been disqualified or prevented from bidding on or completing a federal, state, or local project because of a violation of law or a safety regulation.

5h. Rejection of Bid. Upon disqualification of a bidder as set forth herein, the Board may reject that bidder's bid for the contract award.

5i. Questionnaires and Financial Statements Are Not Public Records. The questionnaire and financial statements required herein are not public records and are not open to public inspection.

6. Informal Bidding Procedure. When the estimated cost for purchases of materials, supplies, or contractual services exceeds Five Hundred Dollars (\$500) but is less

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than Ten Thousand Dollars (\$10,000), the informal bidding procedure set forth herein shall be followed. Quotations shall be required and shall be solicited by posting notices to bidders on the Districts bulletin board and by written or telephone requests from at least three different available sources of supply. Upon receiving at least three quotations, the District Manager shall be authorized to contract for the purchase of materials, supplies or services by means of a written purchase order. Quotations shall be open to public inspection for thirty days after purchase.

7. Formal Bidding Procedures. When the estimated cost for purchases of materials, supplies, or contractual services exceeds Ten Thousand Dollars (\$10,000), the formal bidding procedure set forth herein shall be followed. Written contracts for the purchase of materials, supplies or services shall be required and shall be approved as to form by the attorney for the District.

7a. Solicitation of Sealed Bids. Sealed bids shall be solicited by posting on the District's bulletin board, or by mailing to at least three or more prospective bidders, bid forms listing materials and specifications or services desired. The Board of Directors may also direct that additional solicitation or public notice be provided.

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7b. Contents of Bid Forms for Sealed Bids. In addition to stating the amount, quality and specifications of materials or contractual services desired, bid forms shall contain or be accompanied by written statements indicating the latest date when sealed bids will be received; the date they will be opened; the amount, if any, of good faith deposit or bid bond to accompany the bid; whether or not a completion or delivery date bond will be required, and an envelope clearly marked "Sealed Bid" in which the bid is to be returned.

7c. Submission of Sealed Bids. Sealed bids shall be submitted or mailed to the Secretary of the District, sealed in the envelope furnished by the District, accompanied with the amount of good faith deposit, if required, and accompanied by a statement under oath that the bidder has not been a party to any uniform or fixed price agreement.

7d. Opening and Tabulation of Bids. All sealed bids shall be opened on the date set for opening and shall be tabulated and available for public inspection during regular business hours for a period of 30 days after opening.

7e. Failure to Enter into Contract. Any successful bidder who fails to furnish an acceptable completion or delivery date bond as required or who fails to enter into a written contract with the District for a period of 10 days after notice of its approval by the District Counsel shall forfeit his good faith deposit or become liable to the District on his bid bond, if any, and the District may award the contract to the next lowest responsible bidder.

8. Waiver of Provisions--\$500 or less.

8a. Waiver of Provisions—Competitive Bidding. Notwithstanding any other provisions of these rules, the board by four-fifths vote may waive as to individual purchases the competitive bidding requirements of these rules and may make such purchases without calling for bids.

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9. Signing of Contracts. All contracts shall be signed in behalf of the District by the president of the Board of Directors.

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10. Professional, Specialized, Consultant or Sole Source. Whenever professional specialized consultant or sold source services or supplies are purchased, the Board may dispense with the provisions of this Article.

ARTICLE 19 CROSS CONNECTION CONTROL PROGRAM

ARTICLE 20 WELLS

1. Definitions.

1a. "Well" or "water well" means any artificial excavation constructed by any method for the purpose of extracting water from or injecting water into the underground. "Well" or "water well shall not include:

1a1. Oil and gas wells, or geothermal wells constructed under the jurisdiction of the State, except those wells converted to use as water wells.

1a2. Wells or bores used for the purpose of dewatering excavation during construction or stabilizing hillsides or earth embankments.

1b. "Individual domestic well" means a water well used to supply water for domestic needs or as is individual, residence, or commercial establishment.

1c. "Industrial wells" means water wells used to supply industry on an individual basis.

1d. "Agricultural wells" means water wells used to supply water for irrigation or other agricultural purposes, including so-called "stock wells."

1e. "Person" means any person, firm, corporation or governmental agency.

1f. "Health Officer" means the Santa Cruz County Health Officer or his authorized representative.

1g. "Safe Yield" means the annual draft of water that can be withdrawn from an aquifer without producing some undesirable result such as reducing the total amount of water available or allowing the ingress of low quality water.

2. Permit Requirement.

2a. No well shall be constructed within the District until a health permit is obtained from the County Health Officer by the Applicant under County procedure and regulations including quality and quantity and a well permit is issued by the District.

2b. Within thirty (30) calendar days after receipt of the application, the Board shall either grand, conditionally grant, or deny the permit. A permit shall not be issued if in the judgment of the District Manager, the well may jeopardize the health, safety, or welfare of the people of the District. The District Manager shall require that there be compliance, at the Applicant's expense, with the California Environmental Quality Act and Water Well Standards of the State of California, if, in the District Manager's opinion there may be a significant effect on the environment or the resources of the District. The decision of the District Manager may be appealed to the Board.

2c. The District may not deny a permit in areas which will not affect the wells of the District. In these areas the District, by the conditions of a permit, will only insure that wells will not damage other users of groundwater basins. The District may deny permits in areas which do affect the wells of the District and then only upon passing a resolution declaring a groundwater emergency.

3. Permit procedure. Application for District well permit shall be made on forms provided by the District and shall include reference to a County Permit showing

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that the location and conditions meet requirements of the County Health Officer. Application for a well permit shall be accompanied with fee of \$25 provided however, that if said parcel or any portion thereof, be situated within 500 lineal feet or less from an existing fire hydrant, an additional fire protection, water storage and transmission fee shall be paid the District in the amount of 20 percent of the then current District water connection fee, and further provided that if the conditions imposed by the District require that said well use be monitored by the District pursuant to an Environmental Impact Report or other finding, that actual cost thereof shall be billed to the Applicant on a quarterly basis and the Applicant shall pay said billing within 30 days. The additional fire protection, water storage and transmission fee shall be waived if the parcel is a non-multiple unit customer of the District.

4. Exemption for Pre-Existing Wells. Any property upon which a well had been completed prior to March 16, 1987, shall be exempt from the requirements of this article provided: (1) said existing well continues to meet health requirements, and (2) that the water extracted from the well shall not be used beyond the limits of the property upon which the well is situated, and (3) that the depth, diameter, or volume of the flow from the well is not increased.

4. Well Failure. The issuance of a well permit does not warrant or assure that water production will continue or will be supplemented by the District in the event of subsequent failure of said private well. Permits, if issued, allow the Applicant to exercise a right to drill and use a well to serve the property upon which the well is situated. The permit procedure herein provided is a means to establish information and limitations on the extraction of water to protect the general health, safety and welfare of the entire community water supply.

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5. Reservation of District's Right to Serve Public. The issuance of a permit by the District shall not entitle the permit, his successors and assigns, to gain higher or exclusive rights to said water over those rights of the District, but shall be subject to the higher pre-emptive public rights of the District in the event of an emergency to protect the general health, safety and welfare of the District and its inhabitants.

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6. Expiration of Permits.

6a. Each permit issued pursuant to this article shall expire and become null and void if the work authorized thereby has not been completed within one year following the issuance of the well permit.

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6b. Upon expiration of any permit issued pursuant thereto, no further work may be done in connection with construction, repair, reconstruction, or abandonment of a well unless and until a new permit for such purpose is secured in accordance with the provisions of this article.

7. Investigation. The District Manager or his authorized representative may, upon reasonable cause to believe that a well is causing a nuisance by polluting or contaminating ground water, investigate the situation to determine whether such a nuisance does in fact exist. He shall have the power, when in the performance of his duty and upon first presenting his credentials and identifying himself as an employee of the District to any person apparently in control of the premises to enter upon such premises between the hours of 8:00 a.m. and 6:00 p.m. to

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discover or inspect any condition which appears to indicate such a nuisance. He may examine such premises, things, or conditions, take such samples and make such other tests as needed and take other steps reasonably necessary for the proper investigation and determination of whether such a nuisance exists.

8. Order to Abate Nuisance. Whenever the District Manager determines that a well is polluting or contaminating groundwater or is otherwise not in compliance with the provisions of this article, the Board may order the abatement of said well as a nuisance in accordance with the provisions of this article or the County Water District Law.
9. Groundwater Emergency. A groundwater emergency shall be declared in areas demonstrated to be experiencing a groundwater overdraft exceeding the safe yield in order to prevent further depletion and degradation of water resources where such degradation threatens the public health, safety and welfare of the community.
 - 9a. Declaration of a Groundwater Emergency. A declaration of a groundwater emergency shall be made by the Board upon recommendation of the District Manager and only after a public hearing. Such an emergency shall be declared by resolution of the Board after said public hearing to consider all relevant information such as, but not limited to, the most current groundwater study, recommendations of water purveyors and only after the first three findings or the fourth can be made:
 - 9a1. The designated areas experienced a groundwater overdraft exceeding the long-term average annual recharge of groundwater resources;
 - 9a2. The creation of new wells or the expansion of existing wells will significantly increase the demand on the affected aquifer and thereby increase the overdraft and;
 - 9a3. The continuation of the overdraft will result in further depletion and degradation of the water resource that can lead to, but is not limited to, impairment of the aquifer or allowing the ingress of low quality or saline waters.
 - 9a4. Contamination of the groundwater has caused an emergency in the existing wells in the area.
 - 9b. Measures to Alleviate Groundwater Emergency. The areas where a groundwater emergency is declared, the Board shall take action to establish water conservation measures, to limit construction of new wells, to require pumping from or expansion of existing wells, and in order to prevent depletion and degradation of the affected aquifer.
 - 9c. Duration of Groundwater Emergency. A groundwater emergency and the measures enacted to alleviate the emergency shall remain in effect until rescinded as established below.
 - 9d. Rescinding of Groundwater Emergency. A groundwater emergency shall be rescinded by resolution of the Board after a public hearing when one of the following findings are made.
 - 9d1. Alternative water sources which compensate for the existing overdraft and supply the affected area are developed.
 - 9d2. A groundwater management program is implemented which will allow for additional development without contribution to groundwater overdraft; or

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9d3. The Board determines that new information is available which indicates that the technical data upon which the original findings were based is no longer valid.

10. Enforcement.

10a. Notice of Violation. In the event a well subject to this article is found to be a public nuisance contrary to the terms of this article or the permit issued pursuant to this article, the District Manager shall give written notice to the owner of the land as shown on the most recent equalized assessment roll, or the permittee at this address listed on the permit if a permit has been issued, which notice shall state the nature of the violation, the corrective measure to be taken, and a reasonable time within which correction must be made. Said notice shall include a statement that if the landowner or permittee fails to make corrections within the period specified, the District may abate the condition at owner or permittee's expense.

10b. Abatement by District. If the corrections listed in the notice given pursuant to 10a above are not made as required in said notice, the District Manager with the approval of the Board, and after a reasonable opportunity for the person notified to be heard by said Board, may abate the condition. The owner or permittee shall be liable for the cost thereof.

10c. Emergency Abatement. If the District Manager finds that a well subject to this article is, by reason of condition, operation or maintenance, causing significant irreparable damage to the groundwater or presents an immediate danger to health and safety, and that it is impracticable to notify the owner or permittee, the District Manager may perform emergency work necessary to abate the condition without giving notice as required in 10a above, and the owner of the land as shown on the last equalized assessment roll shall be liable for the costs thereof.

11. Violation a Misdemeanor; Punishment. After publication of this article, it is a misdemeanor for any person to violate any provision, restriction or prohibition, until the article has been repealed or the emergency or threatened emergency has ceased, and upon conviction thereof, that person shall be punished by imprisonment in the County jail for not more than thirty days or by fine of not more than Six Hundred Dollars (\$600), or by both the fine and imprisonment.

12. Conflicts. All ordinances of the District in conflict with the terms and conditions of this article are hereby repealed to the extent of such conflict.

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Manager. Duties. Manager shall regularly inspect all physical facilities related to the District water system to see that they are in good repair and proper working order and to note violations of any water regulations.

Id. Violation, Repairs. He shall promptly report any violation or disrepair to the Board. If the work required is in the nature of an emergency, he shall take whatever steps are necessary to maintain service to customers pending action by the Board.

Id. Supervision. He shall supervise all repair or construction work authorized by the Board, and perform any other duties prescribed elsewhere in this ordinance or which shall be prescribed hereafter by the Board by resolution or otherwise.

Billing Clerk. Duties. The Billing Clerk shall compute, prepare and mail bills as hereinafter prescribed, make and deposit collections, maintain proper books of account, collect, account for, and refund deposits, do whatever else is necessary to set up and maintain an efficient and economical bookkeeping system, and perform any other duties now or hereafter prescribed by the Board.

Performance of Duties. The foregoing duties of the Manager and Billing Clerk may be performed by existing personnel or by an additional employee or employees.

Compensation. The Manager and Billing Clerk shall receive such compensation as is prescribed by the Board.

Id.

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ARTICLE 5. WATER MAIN EXTENSIONS

General. Where an extension of the distribution mains is necessary or a substantial investment is required to furnish service, the applicant will be informed by the Water Department as to whether or not the service can be extended under these regulations.

Terms and Conditions. Any extensions of District water mains to serve new customers shall be under terms and conditions to be established by the Board of Directors.

Subdivisions, Tracts or Housing Projects. Deposit. Applicants for main extensions to service subdivisions, tracts or housing projects shall be required to deposit with the Billing Clerk before construction is commenced cash or surety bonds approved by the Board covering the estimated reasonable total installed costs of the necessary facilities exclusive of service connections and meters as estimated by the Manager.

Specifications and Construction. The size, type and quality of materials and location of the lines shall be specified by the Water Department and the actual construction will be done by the Water Department or by a contractor acceptable to it, supervised and inspected by the Manager. A detailed print of the proposed plan shall be submitted to the Board, and the Board may require that this print be over the signature of a licensed engineer. The Board may also require that the execution of the submitted plan be by a licensed contractor or other bonded party. The Board shall state to the applicant that if the submitted plan is made in strict conformance to that plan, the Board will accept into the District the completed extension subject to supervision, inspection and approval by the District's inspector, all inspection fees to be set by the District and paid by the applicant. The applicant shall present to the District for its permanent retention detailed "as-built" drawings indicating thereon the precise

location of all underground mains and appurtenances, and the District may require such drawings to be over the signature of a licensed engineer.

The Board may construct extensions at the expense of the District when guaranteed water consumption revenues from the extensions will produce such sufficient funds in a period of five years to compensate the District for the expenditures made in making the extension.

District Participation. Whenever in connection with an extension made under this Article the District requires capacity in excess of that required to serve the area for which the extension is made, the cost of the installation attributable to such excess capacity may be paid for by the District.

Subdivision, Tracts or Housing Projects. Adjustments. Adjustment of any substantial difference between the estimated and reasonable actual total installed cost thereof shall be made after the completion of the installation.

Main Extensions Property of District. All facilities shall become the property of the District.

Id. Extensions by District. The District may make such extensions to the facilities constructed under this Article without obligation to applicant.

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as follows:

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The customer's deposit may be refunded after one year at the discretion of the Manager.

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Public Fire Protection Service Charge. The Board may provide by resolution for rates and charges for public fire protection service.

Id. Collection. Where property is subject to rates and charges for other water service, such rates and charges shall be collected together with and not separately from the rates and charges herein provided for public fire protection service.

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276. Reconnection Charge. The Board by resolution may fix reconnection charges and penalties to be made and collected prior to renewing service following a discontinuance of service.

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Costs. Defendant shall pay all costs of suit in any judgment rendered in favor of the District.

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ARTICLE 15. TEMPORARY SERVICE

Deposit. The applicant shall deposit, in advance, the estimated cost of installing and removing the facilities required to furnish temporary service exclusive of the cost of salvageable material. Upon discontinuance of service the actual cost shall be determined and an adjustment made as an additional charge, refund or credit.

Installation and Operation. All facilities for temporary service to the customer connection shall be made by the water department and shall be operated in accordance with its instructions.

Rates. The rates for temporary service shall be such as The Board may fix by resolution.

Credit. The applicant shall pay the estimated cost of service in advance or shall be otherwise required to establish credit according to the standards set forth in Article 8 of this ordinance.

RULES AND REGULATIONS OF THE SAN LORENZO WATER DISTRICT
(Adopted December XX, 2015)

Article I. GENERAL PROVISIONS

Section 1.01 For the failure of the customer to comply with the provisions of this ordinance, and any resolution adopted pursuant to this ordinance, or any ordinance, resolution or order fixing rates and charges of this District, a penalty for which has not hereafter been specifically fixed, the customer's service shall be discontinued and water shall not be supplied such customer until the customer has complied with the rule or regulations, rate or charge violated or, in the event that he cannot comply with said rule or regulation, until the District is satisfied that in the future the customer will comply with all the rules and regulations established by this ordinance and with all rates and charges of this District. In addition, the customer shall pay the District for renewal of services such sum as the Board of Directors of the District shall by resolution fix.

Section 1.02 The District's public records shall be open to inspection during the District's regular office hours. The term "public records" and other terms used herein shall be as defined in Government Code 6252.

Section 1.03 It is the policy of the District to comply with the California Public Records Act, Government Code Section 6250 and following, and with California Civil Discovery Statutes, section 2016 and following, regarding the access and availability of District records, and the responsibility to research, identify, produce and copy such records in accordance with applicable law. As set forth in 1.6 above, District records are open and available to the public in accordance with stated regulations. District staff resources are limited and are funded by user charges billed to District customers and taxes assessed on properties within the District. The Board has determined it appropriate to charge and collect a reasonable fee from any person requesting research, identification, production and services in order to recover the estimated costs incurred by the District in responding to such request.

Section 1.04 No District records shall be removed from the District offices without the prior express written approval of the District Manager. Such approval shall authorize the removal of specifically identified documents by an identified person, to a named location for a stated purpose and shall state a return date. Copies, duplicates or reproductions of District records may be released from the District Offices in accordance with Ordinance 8 and other applicable law. The Board shall be notified of all written approvals issued by the Manager.

Section 1.05 If any section, subsection, paragraph, subparagraph, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance, and the Board declares that this ordinance and phrases thereof would have been adopted irrespective of the fact that one or more of

such sections, subsection, paragraph, sub-paragraph, sentence, clause and phrases thereof would have been adopted irrespective of the fact that one or more of such sections, subsections, paragraph, subparagraph, sentence, clause, or phrase be declared invalid or unconstitutional.

Article II. DEFINITIONS

1. Applicant. A person applying for water service.
2. Board. The Board of Directors of the San Lorenzo Valley County Water District.
3. Commercial Property. The premises on which the customer is engaged in a business or trade.
4. Control Valve. A valve, independent of the District's facilities, located in the customer's piping as close to the meter as practicable, the operation of which will control the entire water supply from the meter.
5. Cross-Connection. Any physical connection between the piping system from the District service and that of any other water supply that is not or cannot be approved as safe and potable for human consumption, whereby water from the unapproved source may be forced or drawn into the District distribution main.
6. Curb Stop. A valve between the main and the meter for the use of the District in controlling the water supply too a customer.
7. Customer. A person supplied or entitled to be supplied with water service by the District.
8. Developer. A person who intends originally to construct and to develop, pursuant to a subdivision map of record, a tract of more than four separate parcels within the District.
9. District. The San Lorenzo Valley Water District.
10. Distribution Mains. Water lines in streets, alleys, and easements used for public and private fire protection and for general distribution of water.
11. Residential Property. Premises used for household residential purposes.
12. Residential Service. The supplying of water for residential purposes.
13. Extensions. The addition of distribution mains, exclusive of service connections, beyond existing facilities.
14. Mains. Pipelines located in streets, highways, or rights of way which are used to serve the general public.
15. Owner. The person owing the fee, or the person in whose name the legal title to real property appears by deed duly recorded in the County Recorder's Office, or the person in possession of the property or buildings under claim of, or exercising acts of ownership over the property for himself or as executor, administrator, or guardian or trustee of the owner.
16. Person. An individual or a company, association, co-partnership or public or private corporation.
17. Premises. The integral property or area under single ownership, including improvements thereon, to which water service is or will be provided. Apartment houses and office buildings may be classified as single premises.

18. Private Fire Protection Service. Water service and facilities for building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection and the water available therefor.
19. Public Fire Protection Service. The service and facilities of the entire water supply, storage and distribution system of the District, including the fire hydrants affixed thereto, and the water available for fire protection, excepting house service connections and appurtenances thereto.
20. Regular Water System. Water service and facilities rendered for normal residential and commercial purposes on a permanent basis, and the water available therefor.
21. Schedules. The entire body of effective rates, charges and rules.
22. Service or Service Connection. The pipeline and appurtenant facilities such as the curb stop, meter and meter box all used to extend water service from a distribution main to premises. Where services are divided at the curb or property line to serve several customers, each such branch service shall be termed a separate service.
23. Temporary Water Service. Water service and facilities rendered for construction work and other uses of limited duration, and the water available therefor.
24. Water System. The distribution and transmission main, pumps, valves, hydrants, and storage facilities.
25. Connection Fee. A fee to be paid by applicants for new water service connections determined by the Board of Directors to be an amount equal to the historic capital cost component of the water rate charged by the district.

Article III. WATER DISTRICT

Section 3.01 The Water District shall include the Board and such positions as the Board may create and fill from time to time.

Section 3.02 The Board may authorize the employment of such employees as are reasonably necessary for the proper operation, maintenance and repair of the District water system and to fix the compensation to be paid such personnel.

Article IV. APPLICATION FOR REGULAR WATER SERVICE—WHERE NO MAIN EXTENSION REQUIRED.

Section 4.01 Each applicant for regular water service shall be required to sign on a form provided by the District.

Section 4.02 Each application shall set forth the following:

- (a) Date of application
- (b) Name of applicant
- (c) Street of address of property to be served
- (d) The assessor's parcel number of the property to be served
- (e) Address to which bills shall be mailed
- (f) Applicant's ownership in the property.
- (g) Whether the service is for residential, commercial, or industrial use.

Section 4.03 Property Owner responsible for Bills.

Section 4.04 Such application will signify the customer's willingness and intention to comply with this and other ordinances or regulations relating to the regular water service and to make payment for water service required.

Section 4.05 An application will not be honored unless payment in full has been made for water service previously rendered to the applicant by District.

Section 4.06 Upon receiving the application and upon compliance with applicable rules and regulations of the District, for locations with existing service and meter, the District will commence water service upon the payment of a fee to cover the average cost of commencing such service. The average cost shall be fixed by the Board by resolution. Upon receiving the application and upon compliance with other applicable rules and regulations; for locations with no existing service and meter, the District will install a service connection and meter upon payment of fees designed to reimburse the District for the cost of the facilities required.

Section 4.07 Regular water service will be installed at the location determined by the Water District. Service installations will be made only to property abutting on public streets or abutting on such distribution mains as may be constructed in alleys or easements. Applicant shall install a control valve and piping which shall extend to that point on the curb line or property line easiest of access to the District from the existing distribution system. The control valve shall be for the purpose of controlling the flow of

water to the piping on customer's premises. To protect his piping, appliances and facilities against excessive or fluctuating pressure, the applicant may install a pressure regulator in his piping, and the District shall not be responsible for damage to a customer's piping, appliances and facilities occasioned by excessive or fluctuating pressure beyond the reasonable control of the District. The approval of the Water District shall be procured before the installation of any such facilities.

Section 4.08 All facilities installed between the main and meter outlet, including the service connection and meter shall be and shall remain the property of the District and may be maintained, repaired or replaced by the water District without the consent or interference of the owner or occupant of the property. The property owner shall use reasonable care in the protection of the facilities. No payment shall be made for placing or maintaining such facilities on private property. The necessary piping and main valve and pressure regulator located beyond the meter outlet shall be the property of the customer and shall be maintained by the customer.

Section 4.09 Every application for new service shall expire by limitation, and become null and void if the demand for meter installation is not made by the applicant for the premises to which the application applies within 90 days from the date of application.

Section 4.10 An applicant whose application has been determined by the Water District to have become null and void may appeal such determination to the Board of Directors.

Section 4.11 Upon application to the District, and determination by the District that the property for which water service is requested can be served, the District shall place the connection charge into a separate fund. The money shall remain in said fund until it is either 1) refunded to the customer if his application for service is denied, withdrawn, or expires, or 2) transferred to the Capital Improvement Fund after the water meter is installed. Interest on any such funds shall be retained by the District.

Section 4.12 The District shall not set the water meter until the applicant has filed with the District a written request for setting the meter.

Section 4.13 Any owner of property for which an application for water service has been filed and for which a charge has been paid may file a request for a refund of the water service connection charge.

- (a) If the property owner filed an application for services and paid the connection charge after June 18, 1981, And the water meter has not been set, the refund request shall be granted and the request may be processed administratively by the District Manager.
- (b) If the property owner filed an application for service and paid the connection charge before June 18, 1981, Or if the application was filed after June 18, 1981, but

the meter has been set, the property owner may file a request for a hearing regarding a refund of the water service before the Board of Directors as follows:

- (i) The property owner shall file a written request for a hearing addressed to the Board of Directors and submitted to the District Secretary, 13060 Central Avenue, Boulder Creek, CA 95006.
- (ii) The request should include the name(s) and address of the property owner(s); the address of the property; the Assessor's Parcel No., and a statement of the facts and grounds supporting the request.
- (iii) The funds for granting the request for a refund shall be either;
- (iv) Changed physical conditions of the subject which render the parcel undevelopable.

Article V. GENERAL USE REGULATIONS

Section 5.01 Number of Services Per Premises. The applicant may apply for as many services as may be reasonably required for his premises provided that the pipeline system from each service shall be independent of the others and that they may not be interconnected. The cost of all services over and above the initial service shall be borne by the applicant

Section 5.02 Supply to Separate Premises. No more than one premises shall be served from each service connection.

Section 5.03 Supply to Multiple Users. Separate houses, buildings, living or business quarters, such as motels, mobile home parks and the like, under a single control or management, may be served by any of the following methods:

- (a) Through separate service connections to each or any unit, provided that the pipeline system from each service is independent of the others and that they are not interconnected.
- (b) Through a single service connection to the entire premises.
- (c) In the event that any separate house, building, living or business quarter is severed from the balance of the property, the property so severed shall be required to provide a separate service connection.

The Water District, however, may require individual service connections for each separate house, building, living quarters or business quarter when the Board determines that such a requirement is in the best interest of the District.

Section 5.04 Charges to Multiple Users. Charges for water service to multiple users may be fixed by the Board by resolution.

Section 5.05 Water Waste. No consumer shall knowingly permit leaks or waste of water.

Section 5.06 Responsibility for Equipment on Customer Premises. All facilities installed by the District on private property for the purpose of rendering water service shall remain the property of the District and may be maintained, repaired or replaced by the water department without the consent or interference of the owner or occupant of the property. The property owner shall use reasonable care in the protection of the facilities. No payment shall be made for placing or maintaining facilities on private property.

Section 5.07 Damage to Water System Facilities. The customer shall be liable for any damage to the District-owned customer water service facilities when such damage results from causes originating on the premises. The cost for repairing any such damage shall be paid by the customer, and the cost shall be due and payable to the District upon the District's rendering a bill therefor.

Section 5.08 Control Valve on the Customer Property. The customer shall provide a valve on his side of the service installation to control the flow of water to the piping on his premises. The customer shall not use the service curb stop to turn water on and off for his convenience.

Section 5.09 Interruptions in Service. The District shall not be liable for damage which may result from an interruption in service from a cause beyond the control of the water district. Temporary shutdowns may be made by the water district to make improvements and repairs. Whenever possible and as time permits, all customers and fire departments affected will be notified prior to making such shutdowns. Affected fire departments will be notified promptly upon restoration of service.

Section 5.10 Ingress and Egress. Representatives from the water district shall have the right of ingress and egress to the customer premises at reasonable hours for any purpose reasonably connected with the furnishing of water service.

Section 5.11 Resale of Water. Except by agreement with the District, no customer shall resell any of the water received by him from the District, nor shall such water be delivered to premises other than those specified in the application for service.

Section 5.12 Health and Safety—Discontinuance of Service. If a condition on the customer's premises is found to be hazardous to the health and safety of the public arising from the use of water, the use and maintenance of any apparatus, appliances, or equipment or otherwise, the water district may discontinue service to such premises without notice. The water district in such event shall make reasonable effort to notify

the customer of the discontinuance of service, and corrective actions shall be taken by the customer before service will be restored.

Section 5.13 **Booster Device.** The District prohibits the attachment of any booster pump to a service on the customer's side of the meter and the use of any other method whereby the customer's share of available water to the main to which the meter is attached is increased beyond the amount which would otherwise be delivered through such meter.

Section 5.14 **Customer's Facilities.** The District shall not be responsible for open appliances or faulty fixtures or broken or damaged pipes not for loss of water beyond the meter outlet.

Section 5.15 **Removal of Unauthorized Water Distribution Facilities.** In the event that a District representative identifies unauthorized water distribution facilities that connect to the District water system, or otherwise transport District water, a District representative may remove such unauthorized water distribution facilities and store same at the District Office until such user(s) or customer(s) comply with District rules and regulations and State and local law regulating water services.

Article VI. METERS

Section 6.01 **Installation.** All services shall be metered. A sum of money as set forth in the rate schedules shall be deposited with the District prior to installation of the facilities to pay all of the cost of said installation. Title to the meters shall be held by the District.

Section 6.02 **Meter Installations.** Meters will be installed at the curb or property line or next to the water main at the discretion of the District.

Section 6.03 **Change in Location of Meters.** Meters relocated for the convenience of the customer will be relocated at the customer's expense. An advance deposit shall be required for every relocation. Any relocation must be approved by the Manager. Meters moved to protect the District's property will be moved at the District's expense. Meters shall be relocated only by the water District or under its supervision. By resolution the Board may provide for the customer's paying for a new service if the relocation of the meter exceeds a distance specified in the resolution. This section applies only to the change in location of a meter at a single premise.

Section 6.04 **Meter Reading.** Meters of customers on domestic and certain shall commercial property shall be read bi-monthly as near the end of the month in which the meter reading is to be done as practicable.

Section 6.05 **Obstruction of Meter.** It is the responsibility of the customer to maintain clear access to the meter at all times. No earth, rock, pavement, vegetation,

construction, appurtenances, vehicle or obstructions of any kind whatsoever shall be allowed to interfere with or obstruct access of District personnel or representatives in the performance of their duties regarding the meter and its appurtenances and District facilities. Violation of this section shall result in District personnel posting on the premises a written notice of violation with directions to correct the problem within five days. Failure to correct the violation within five days after the notice is posted shall result in the District employing whatever alternate means are necessary to proceed with District operations, and all costs incurred plus a ten percent penalty as a result of failure to timely correct the violation and maintain clear access to the District meter shall be charged to the customer.

Section 6.06 Meter Tests—Deposit. All meters will be tested prior to installation, and no meter will be installed which registers more than two per cent (2%) fast. Any customer may request that the meter serving his premises be tested by the water district. Such request shall be in writing and shall be accompanied by a deposit as fixed by the Board by resolution. Upon receipt of such request and the required deposit, the Manager shall cause the meter to be tested. The customer shall have the right to require the District to conduct the test in his presence, or in the presence of his representative. If the meter is found to register more than two per cent more water than actually passes through it, the deposit will be retained by the District.

Section 6.07 Adjustment for Meter Errors. If the meter shall be found to register over two percent more water than actually passes through it, the water bill for the current month shall be adjusted proportionately.

Section 6.08 Meter Maintenance. The District shall maintain, repair and renew all meters when such maintenance, repair, or renewal is made necessary by reason of normal wear and tear.

Section 6.09 Meter Test Deposit, Amount of. The meter testing deposits required to be made shall be \$25.00.

Section 6.10 Policy on Water Connection Transfers. No water service connections or meters shall be transferred from one premises or parcel to another as provided herein.

Section 6.11 Development of a Transfer Tracking System. The District Manager shall develop and implement a Water Meter Transfer Tracking System in the District.

Section 6.12 Exclusions from the Water Meter Transfer Policy. No meter shall be transferred if any of the following situations occur:

- (a) A main extension is required.
- (b) Any exceptions to District rules and regulations are required.

- (c) A parcel to which a meter is to be transferred is located in a water connection moratorium area.
- (d) A parcel to which a meter is to be transferred requires a larger meter, a different building zoning, different uses or requirements.
- (e) The parcel from which the meter is to be transferred is developed or has an existing structure which is, or has been served by the meter to be transferred.

Section 6.13 Conditions on the Transfer of Water Meters. Water meter transfers are subject to the following conditions.

- (a) A customer must file a written request for a water service meter transfer with the Board describing the transfer and the reasons for such a transfer.
- (b) The Board shall consider a maximum of 5 transfers per year and give approval to transfer requests only during July of any year.
- (c) The customer may transfer a water meter service from and to another parcel within the District only if that customer is the owner of record of both parcels.
- (d) In no event shall service be permitted to both the transferor and the transferee parcels at the same time. Upon transfer of the water service meter to a different parcel, all service to the other parcel shall be terminated.
- (e) For parcels that have had their connection transferred away, current meter fees are to be paid as provided in Ordinance No. 8.
- (f) The District Manager shall note on all applications for connections, that the meter may be transferred and the property owner is advised to check with the District to ensure a meter is currently on the parcel.
- (g) All transfers shall be approved only if a document is recorded with the property the meter has been transferred from showing that the meter for the property no longer exists.
- (h) Customers transferring meters shall pay all costs for termination of the old service and installation of the transferred meter in accordance with District rules and regulations, less credit for any previous payments toward installation costs, if the meter has not already been installed.
- (i) Transfers require the installation of the proposed meter to be transferred, and termination of any existing service facilities on the parcel from which the meter was transferred, within 60 days of approval by the Board.

Section 6.14 Meters Existing in District Records. Only connections existing in District records shall be honored for transfer by the District. All other parcels not shown in District records as having a water meter connection shall be subject to Ordinance No. 8 on Connection fees.

Article VII. CREDIT

Section 7.01 Establishment and Maintenance of Credit. The Board, as prescribed by resolution, may require from each applicant for water service a security deposit in an amount not exceeding one year's charges either from persons receiving water service or from the owners of the property to which or in connection with which water service is rendered. The Board may require a guarantee by the owner of property that bills for service to the property or the occupants thereof will be paid.

Section 7.02 Application of Deposit to Water Bill. The District may apply, without notice, the amount of any deposit prescribed herein toward the payment of any water bill or other indebtedness which may become past due and owing to the District and to unpaid bills for water service when such service has been discontinued.

Section 7.03 Replacement or Change of Deposit. The Manager of the District may require, as a condition of service at any time, that the deposit prescribed herein be replaced if the deposit or any part thereof has been applied to the payment of any bill or indebtedness to the District, or may require that the deposit be increased if depleted, found to be insufficient or good cause otherwise exists.

Section 7.04 Return of Deposit. The deposit made by any applicant or property owner may be refunded upon discontinuance of service, the District shall refund any balance in the customer's deposit in excess of unpaid bills or other indebtedness to the District.

Article VIII. BILLING

Section 8.01 Billing Period. The regular billing period will be monthly or bi-monthly at the option of the District.

Section 8.02 Opening and Closing Bills. Opening and closing bills for less than the normal billing period shall be pro-rated both as to the basic charges and quantity blocks

Section 8.03 Payment of Bills. Bills for water service shall be mailed or delivered to each customer as soon as convenient after the reading of the meter. Bills shall be payable upon presentation.

Section 8.04 Commencement of Liability for Monthly Basic Charge. The applicant shall become a customer of the District and shall become liable for and shall be billed for the basic monthly charge from the date that the water meter is set.

Section 8.05 Whenever a customer desires a billing at a time other than the normal bi-monthly billing period, the customer requesting the bill shall pay to the Water District an advance fee of \$20.00. The District shall read the meter, calculate the bill to the date read, and mail a bill marked "mid-term billing" to the customer. The special billing would appear on the owner's account, and would show as a prior balance if not paid. The owner of the property is responsible for this bill, as other bills.

Section 8.06 Billings of Separate Meters not Combined. Separate bills will be rendered for each meter installation except where the water district has, for its convenience, installed two or more meters in place of one meter.

Article IX. DISCONTINUANCE OF SERVICE

Section 9.01 Disconnection for Non-Payment. Service may be discontinued for non-payment of a bill for water service, if the bill is not paid within thirty (30) days after presentation. At least five days prior to such discontinuance the customer will be sent a final notice informing such customer that discontinuance will be enforced if payment is not made within the time specified in such notice. The failure of the District to send or the failure of any person to receive such notice shall not affect the District's powers hereunder.

Section 9.02 Charges During Discontinuance of Service. After discontinuance of water service for violation of a San Lorenzo Valley Water District Ordinance, the customer shall pay to the District a Turn-Off Charge of \$20.00 each time the customer violates a District ordinance after that customer's water has been turned off.

Section 9.03 Unsafe Apparatus. Water service may be refused or discontinued to any premises where apparatus or appliances are in use which may endanger or disturb the service to other customers

Section 9.04 Cross Connections. Water service may be refused or discontinued to any premises where there exists a cross connection in violation of this ordinance, State or Federal laws.

Section 9.05 Fraud or Abuse. Service may be discontinued if necessary to protect the District against fraud or abuse.

Section 9.06 Non-compliance with Regulations. Service may be discontinued for non-compliance with this or any other ordinance or regulations relating to the water service.

Section 9.07 Discontinuance Upon Vacating Premises. Customers desiring to discontinue service shall notify the District reasonably well in advance of the desired date of discontinuance. The customer shall be required to pay all water charges until the date of discontinuance. At the time of discontinuance, the meter will be read and a closing bill rendered. Unless discontinuance of service is ordered, the customer shall be liable for charges whether or not any water is used.

Article X. COLLECTION BY SUIT

Section 10.01 Penalty. Penalties shall be established by ordinance for unpaid rates and charges.

Section 10.02 Suit. All unpaid rates, charges and penalties may be collected by suit.

Section 10.03 48-Hour Notice. If an employee is dispatched to leave a 48-hour notice due to non-payment, failure to sign up for service, a returned check on water bill or

sewer bill, or any other reason, but prior to the actual disconnection of the service, the customer shall pay to the District a charge of \$20.00

Section 10.04 Returned Check—Charge For. For any check tendered to the District in payment of rates or charges under this ordinance which is returned by the bank upon which it is drawn because of insufficient funds, no account, or other similar reason, the person on whose account such check was tendered shall pay a handling charge of \$10.00 in addition to any other penalties provided by law, and any charges imposed by a bank on the District's account. Written notice will be sent to the customer to pay the returned check and the \$10.00 charge within ten days, either by cash or certified check. After the ten days have expired, the procedure for the 48-hour notice and discontinuance of service shall apply.

Section 10.05 Installment Payments, Interest. The manager may enter into an arrangement with any customer against whom there are unpaid rates, charges, and penalties whereby the customer may pay such unpaid rates, charges and penalties in installments, provided such unpaid rates, charges and penalties are paid within twelve (12) months from the date of delinquency and provided that there shall be included in the installments interest on such unpaid rates, charges and penalties at the rate of ten percent (10%) per annum from the date of delinquency. The provisions of this section shall not be in lieu of other procedures contained in the District's rules and regulations for the collection of delinquencies, but shall be an additional and separate procedure for collection unpaid rates, charges, and penalties.

Section 10.06 Lien Procedure for Unpaid Charges for Water or Other Services. Pursuant to California Water Code, if there are delinquent and unpaid charges for water and other services that remain delinquent and unpaid for sixty (60) days or more, the District may proceed to collect those charges by recording a lien upon the real property as set forth herein.

- (a) **Notice of Delinquent and Unpaid Charges to Holder of Title to Land.** The District shall notify the holder of title to land whenever delinquent and unpaid charges for water or other services which could become a lien on such property pursuant to this ordinance and California Water Code remain delinquent and unpaid for sixty days.
- (b) **Annual Statement of Delinquent Charges to County for Collection With Taxes—Lien on Real Property.** If there are delinquent and unpaid charges for water or other services that remain delinquent and unpaid for sixty days or more, the Board of Directors shall, annually, on or before August 1st of each year, furnish to the County Board of Supervisors and to the Auditor, a written statement of those charges that remain delinquent and unpaid for sixty days or more on July 1st of each year. The amount of any charges for water and other services included in said statement shall be added to and become a part of the annual taxes next levied upon the property

- which is delinquent, and shall constitute a lien on that property as of the same time and in the same manner as does the tax lien securing such annual taxes.
- (c) Certificate Against Person Liable for Charges: Lien Against that Person's Real Property (Renters). In addition to furnishing an annual statement of unpaid and delinquent charges to the County for collection with the annual property taxes, the District may secure the amount of unpaid charges at any time by filing for record in the office of the County Recorder a certificate specifying:
 - (i) The amount of such charges.
 - (ii) The name and address of the person liable therefor.
 - (d) From the time of recordation of the certificate, the amount required to be paid together with interest and penalty constitutes a lien upon all real property in the County owned by the person or acquired by him at any time before the lien expires. The lien has the force, priority and effect of a judgment lien and shall continue for ten years from the date of the filing of the certificate unless sooner released or otherwise discharged.

Section 10.07 Deducting Delinquencies and Other Debts from Disbursements. Whenever a person has incurred any delinquency, debt, or other financial obligation to the District for any District services rendered or materials or equipment supplied, the amount of such obligation due the District may be deducted from any deposits, credits, refunds or other disbursement from the District to such person, at the discretion of the District Manager.

Section 10.08 Transfer of Delinquent Account to Active Account of Same Owner. If a District customer receives water or sewerage services at more than one location and has more than one account with the District and if such customer terminates one account leaves an account with a balance owing and subsequently desires to open a new account with the District, such balance owing or such delinquency may be transferred to any other new or active service account held by the same customer.

Section 10.09 Collection of Current Yearly and Delinquent Charges for Wastewater Management Systems and Services with General Taxes: Authorization. Health and Safety Code and the Water Code authorize the District to prescribe and collect fees and charges for sanitation and sewerage facilities and services, and further provide for the collection of current yearly and delinquent charges with general taxes as set forth herein, as an alternative to any other collection procedure.

Section 10.10 Adoption of Collection Procedure. The procedure for the collection of current yearly and delinquent charges for wastewater services with general taxes as an alternative collection method as set forth in the Health and Safety Code is hereby

adopted by the Board of Directors of the San Lorenzo Valley Water District and made a part of Ordinance 8.

Section 10.11 Election by Board of Directors to Collect Fees on Tax Roll. The Board may, by ordinance or resolution approved by a two-thirds vote, elect to have current yearly and delinquent charges and fees for the sanitation and sewerage facilities and services collected on the County tax roll together with general taxes.

Section 10.12 Written Report. As required by Health and Safety Code, if the Board elects to implement the described collection procedure, it shall require a written report to be prepared each year and filed with the District Secretary, which shall contain a description of each parcel of real property receiving such services and facilities and the amount of the charge which is current yearly and delinquent for each parcel for the year computed, in conformity with the District ordinance or resolutions fixing such charges.

Section 10.13 Publication of Notice of Report and Hearing. The District Secretary shall cause notice of the filing of said report and of the time and place of the hearing thereon to be published pursuant to Government Code 6066, once a week for two successive weeks prior to the date set for hearing, in a newspaper of general circulation within the county.

Section 10.14 Mailed Notice. Before collecting such charges on the tax roll for the first time, the District Secretary shall cause a written notice of (1) the filing of the written report; (2) the proposed collection of the charges with the general taxes and (3) the time and place of the public hearing on the report and collection to the person named on the last equalized assessment roll available at the address shown or as known to the Secretary. If the Board adopts the report, then the requirements for written notice shall not apply to hearings on reports prepared in subsequent fiscal years and notice by publication shall be adequate.

Section 10.15 Noticed Public Hearing. At the notice of public hearing, the Board shall hear and consider all objections or protests, if any, to said report and may continue the hearing from time to time. If the Board finds that protest is made by the owners of a majority of separate parcels of property listed in the report, then the report shall not be adopted and the charges shall be collected by alternate methods.

Section 10.16 Determination by Board. Upon conclusion of the hearing, the Board may adopt, change, reduce, or modify any charge or overrule any or all objections and shall make its determination on each charge as described in said report which determination shall be filed.

Section 10.17 Filing of Report. On or before the tenth day of August of each year following such final determination, the District Secretary shall file with the County Auditor a copy of said report with a statement signed by the Secretary that the report has been finally adopted by the Board of Directors. The County Auditor shall enter the

amount of the charges against the respective lot or parcels of land as they appear on the current assessment roll. Where any such parcels are outside the boundaries of the District, they shall be added to the assessment roll of the District for the purpose of collecting such charges. If the property is not described on the roll, the auditor may enter the description thereon together with the amounts of the charges, as shown on the report.

Section 10.18 Lien. Except as provided in Health and Safety Code 5473.8 regarding bona fide purchasers for value without prior recorded notice, the amount of the charges shall constitute a lien against the lot or parcel of land against which the charge has been imposed as of noon on the first Monday in March immediately preceding the date of levy.

Section 10.19 Inclusion of Charges in Bills for Taxes. The tax collector shall include the amount of the charges on bills for taxes levied against the respective lots and parcels of land.

Section 10.20 Collection; Delinquency Date; Penalty. Thereafter the amount of the charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties. All laws applicable to the levy, collection and enforcement of general taxes are applicable to such charges.

Section 10.21 Lien; Recording, Force, Effect, and Priority. Charges for services and facilities furnished by the District shall constitute a lien against the lot or parcel of land against which the charge was imposed if said charges remain delinquent for a period of 60 days, and the District shall include a statement to each property owner which shall notify the property owner of the lien provided by this section for delinquent payment of charges. The lien provided herein shall have no force or effect until recorded with the County Recorder, and when so recorded shall have the force, effect and priority of a judgment lien, and continue for three years from the time of recording unless sooner released or otherwise discharged.

Article XI. COMPLAINTS AND DISPUTED BILLS

Section 11.01 Report and Adjustments. Should any customer have complaints with regard to water service or should a customer dispute the correctness of a bill for water service, such customer shall contact the Manager for adjustment.

Section 11.02 Complaints at Board Hearing. Should a customer be unable to have his complaints satisfied by the Manager, the customer may either submit his complaint in writing with a full and detailed explanation to the Board, or he may appear in person before the Board at its regular monthly meeting.

Section 11.03 Disputed Bills. If a disputed bill cannot be adjusted between the customer and the Manager, the customer within twenty (20) days after the bill becomes due and payable may deposit with the District the amount of the disputed bill, together with a full explanation of the dispute. The remittance so deposited shall be made payable to the District, and the District shall be notified that the deposit is against a disputed bill. At its regular meeting following receipt of the deposit, the Board will hear the dispute and will render its decision thereon. The hearing for good cause may be continued to the next regular meeting of the Board. Service will not be discontinued pending the outcome of the hearing, provided that subsequent bills are paid or the amount thereof deposited unconditionally with the District.

Article XII. PRIVATE FIRE PROTECTION SERVICE

Section 12.01 Payment of Cost. The applicant for private fire protection service shall pay the total actual cost of installation of the service from the distribution main to the customer's premises including the cost of a detector check, meter or other suitable and equivalent device, valve and meter box, said installation to become the property of the District.

Section 12.02 No Connection to Other System. There shall be no connections between this fire protection system and any other water distribution system on the premises.

Section 12.03 Use. There shall be no water used through the fire protection service except to extinguish accidental fires and for testing the fire equipment.

Section 12.04 Meter rates. Any consumption of water recorded on the meter will be charged for at such rates as the Board may fix by resolution, except that no charge will be made for water used to extinguish accidental fires where such fires have been reported to the fire department.

Section 12.05 Monthly rates. The monthly rates for private fire protection shall be established by the Board.

Article XIII. RATES

Section 13.01 Establishment of Rates. The Board may by resolution establish the rates for all services which the District is authorized to furnish. Such rates shall be fixed to apply uniformly throughout the District or within areas within the District according to the circumstances that prevail in such areas.

Article XIV. SEWERAGE RULES, REGULATIONS, RATES, AND CHARGES

Section 14.01 Regulation of Sewerage Discharge—Bear Creek Estates

- (a) Purpose. The purpose of this Ordinance is to control and regulate sewage, liquid waste and industrial waste discharges into the sewerage system and treatment facilities of Bear Creek Estates Units 3, 4, and 5 and maintained by the San Lorenzo Water District. This Ordinance provides quality and quantity standards in order to comply with all applicable State and Federal laws required by the provisions of the Clean Water Grant Program and requirements of the California Regional Water Quality Control Board.
- (b) Scope. This wastewater discharge ordinance sets uniform requirements for discharges into the wastewater collection and treatment system and enables the San Lorenzo Valley Water District to comply with the administrative provisions of the Clean Water Grant regulations. The water quality requirements are set by the Regional Water Quality Control Board and the applicable effluent limitations, national standards of performance, toxic and pretreatment effluent standards, and any other discharge criteria which are required or authorized by State or Federal law, and are to derive the maximum public benefit by regulating the quality and quantity of wastewater discharged into those systems. This Ordinance provides for the establishment of a surveillance and enforcement procedure to control the discharge of quality and quantity of certain wastes. Revenues derived from the costs required by this Ordinance shall be used to defray the District's cost of conducting operation and maintenance of the system. The provisions of the Ordinance shall apply to the discharge of all wastes to a public sewer of the San Lorenzo Valley Water District's Bear Creek Estates Units 3, 4, and 5 wastewater treatment facility.
- (c) Policy. The San Lorenzo Valley Water District protects the health, welfare and safety of the local residents by constructing, operating and maintaining a system of local sewers and laterals, trunk sewers and interceptors, and liquid waste treatment and disposal facilities that service the homes of residents in Bear Creek Estates Units 3, 4, and 5. The following basic policies apply to sewage and liquid waste discharged into the sewerage system provided such wastes will not:
 - (i) Contain toxics or other pollutants in amounts of concentration that endanger public health.
 - (ii) Detrimentially affect the local environments;

- (iii) Create nuisances such as odors, insects, etc.
 - (iv) Endanger the physical integrity of the treatment works;
 - (v) Impose excessive collection, treatment or disposal costs on the District;
 - (vi) Significantly interfere with wastewater treatment processes; or
 - (vii) Cause violation of effluents or water quality limits and quantity requirements hereinafter established.
 - (viii) The highest and best use of the sewerage system is the collection, treatment, and reclamation or disposal of domestic sewage. The use of the sewerage system for industrial waste discharges is strictly forbidden by this Ordinance. Users of the system will be required to comply with requirements as established by (1) The Environmental Protection Agencies of the United States; (2) California Regional Water Quality Control Board; (3) Santa Cruz County, and (4) San Lorenzo Valley Water District when discharging sewage and/or applying for approval to hook up a new home to the system and begin the discharge of sewage to the system.
- (d) Inspection. Adequate identification shall be provided by the District Manager for all inspectors or other authorized personnel and these personnel shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor. Inspection of every facility that is involved with the discharge of waste to the sewage collection and treatment facilities may be made by the District Manager or his representative. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of this Ordinance. Access to all facilities connected to the sewerage system shall be given to authorized personnel at all reasonable times or at other times when occasioned by emergency conditions. No person shall interfere with, delay, resist or refuse entrance to an authorized inspector attempting to inspect any waste generation, conveyance or treatment facility connected to the sewerage system.
- (e) Enforcement of Ordinance. The District Manager shall administer, implement and enforce all the provisions of this Ordinance, Ordinance 41, 42, and Article 10 as may be deemed applicable by the District Engineer. Any powers granted to or duties imposed upon the District Manager may be delegated by him to persons acting in the beneficial interest of or in the employ of the District.
- (f) Penalty for Violations. Any person who knowingly makes any false statement, representation, record, report, plan, or other document filed with the Regional Water Quality Control Board and/or the State Water Resources Control Board, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device

or method required by the laws of the State of California shall be punished by a fine of not more than ten thousand dollars (\$10,000) or by imprisonment in a county jail for not more than six months or by both. Article 10, Ordinance 8 Discontinuance of Service may be enforced.

Any person who willfully or negligently discharges pollutants except as allowed by waste discharge requirements or who willfully or negligently violates any effluent standard, water quality related effluent standard, national standard of performance, toxicity, or who violates any cease and desist order, prohibition, or waste discharge requirements shall be punished by a fine of not more than twenty-five thousand (\$25,000) nor less than two thousand five hundred (\$2500) for each day in which such violation occurs, or by imprisonment for not more than one year in the county jail, or by both. If the conviction is for a violation committed after a first conviction of such person under this section, punishment shall be by a fine of not more than fifty thousand dollars (\$50,000) for each day in which such violation occurs, or by imprisonment for not more than two years in the county jail or both.

In the event of such violation, the District shall, upon authorization of its Board of Directors, petition the superior court to impose, assess, and recover such sums.

- (g) Notice. Whenever the District Manager finds that any person has violated or is violating this Ordinance, or any prohibition, limitation, or requirement contained herein, he may serve upon such person a written notice stating the nature of the violation and providing a reasonable time, not to exceed thirty (30) days for the satisfactory correction thereof. Such notice shall be served in person or by registered or certified mail. If served by mail, the notice shall be sent to the last address known to the District Manager. Notice shall be deemed to have been given at the time of deposit, postage prepaid, in a facility regularly serviced by the United States Postal Service.
- (h) Time Limits. Any time limit provided in any written notice or in any provision of this Ordinance shall be extended only by a written direction of the District Manager.
- (i) Establishment of Rules and Regulations. The District Manager is hereby authorized and empowered to adopt such rules, regulations and standards as may be deemed reasonably necessary to protect the District sewerage facilities, to control and regulate the proper use thereof; provided, however, that the terms and provisions of such rules and regulations shall be promulgated in a manner best directed to result in the uniform control of the sewerage systems within the District. District Manager shall, from time to time as he deems necessary, prepare additional rules and regulations as to the quality of the sewage or liquid waste discharged to the sewerage facilities of the District, and act to modify or amend such existing rules and regulations as he deems necessary. A discharger shall have the right to appeal

- any rule, regulation or standard on the grounds of extreme hardship, before the Board of Directors.
- (j) **Reconsideration and Appeal Procedures.** If the ruling made by the District Manager is unsatisfactory to the person requesting reconsideration, the person may make a written appeal to the Board of Directors within 45 days after notice of the action taken by the District Manager. The written appeal shall state all the pertinent aspects of the matter. Within forty-five days after the written appeal is received, the Board of Directors shall hold appear personally or through counsel, cross examine witnesses, and present evidence in his own behalf. Notice of the hearing shall be given at least fifteen days prior to the date of the hearing. Within 45 days after the hearing is closed, said Board of Directors shall make a final ruling on the appeal.
 - (k) **Payment of Charges and Delinquencies.** All fees and charges made pursuant to the provisions of this Ordinance and the approved Schedule of Fees are due and payable upon receipt of notice thereof. All such charges shall be and become delinquent twenty days after mailing or delivering notice thereof to the mailing address of the person subject to charges. All delinquent charges shall be deemed a violation of this Ordinance and each day any such charge remains delinquent shall be deemed a separate violation. Article 10 and Ordinance 9 will be enforced.
 - (l) **Recording of Fees and Charges.** The District shall keep a permanent and accurate account of all fees and charges received under this Ordinance, giving the names and addresses of the persons on whose accounts the fees and charges were paid, the date and amount thereof, and the purpose for which charges were paid.
 - (m) Unless otherwise provided herein, whenever the fee and charges required by this Ordinance are based on estimated values or estimated quantities, the District Manager shall make such determination in accordance with established estimating practices.
 - (n) Any charge that becomes delinquent shall have added to it a basic penalty charge equal to ten (10) percent of the charge that became delinquent and thereafter an additional penalty shall accrue on the total charge due, including the ten percent basic penalty, at the rate of one-half of one percent (0.5%) per month until paid in full.
 - (o) **Collection.** Upon direction of the Board of Directors any delinquent charge and all penalties including court costs and legal fees thereon, shall be collected by lawsuit in the name of the District. Any such action for collection may include an application for an injunction to prevent repeated and reoccurring violations of this ordinance.
 - (p) **Malicious Damage to Sewerage Facilities.** Any unauthorized entering, breaking, damaging, destroying, uncovering, defacing or tampering with any structure,

equipment or appurtenance which is a part of the District sewerage system shall be a violation of this Ordinance, and subject to prosecution under applicable laws.

- (q) Prohibited Waste Discharges. The constituents prohibited by this Ordinance provide specific limits are established. In some cases, the concentration or amount of any particular constituents which will be judged to be excessive or unreasonable cannot be foreseen but will depend on the results of technical determinations relating to the particular situation and the actions of regulatory agencies. No discharger shall discharge or cause to be discharged to a public sewer, which connects to the District sewerage system, the following wastes:
- (i) Any explosive mixtures, i.e. liquids, solids, or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious to the sewerage facilities or the operation of the system. Prohibited materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, ethers, and peroxides.
 - (ii) Any toxic substances in amounts exceeding standards promulgated by the Administrator of the United States Environmental Protection Agency pursuant to Section 307(a) of the Act and chemical elements or compounds phenols, or other taste or odor-producing substances, which may cause public nuisance or hazardous conditions to occur in the sewerage system, or any other substances which are not susceptible to treatment or which may interfere with biological processes or efficiency of the treatment system or that will pass through the system or which may cause abnormal increase in the operation costs of the treatment system.
 - (iii) Any waste which will cause corrosion or deterioration of treatment system. All wastes discharged to the public sewer system must have a PH value not less than 6.5 and not more than 8.4 standard units. Prohibited materials include, but are not limited to, acids, caustics, sulfides, concentrated chloride and fluoride compounds, and substances which will react with water to form acidic products.
 - (iv) Solid or viscous wastes which will or may cause obstruction to the flow in a sewer, or otherwise interfere with the proper operation of the wastewater treatment system. Prohibited materials include, but are not limited too, grease, un-comminuted garbage, animal guts or tissues, paunch manure, bones, hairs, hides or flesh, entrails, whole blood, feathers, ashes, cinders, sand spent lime, stone, or marble dust, polishing compounds, resin beads, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, and similar substances.

- (v) Any unpolluted water including, but not limited to, water from swimming pools or spa systems or storm water origin, which will increase the hydraulic load on the treatment system.
- (vi) Oil and grease concentrations.
- (vii) Any garbage that is not ground sufficiently to pass through a 1/2" screen.
- (viii) Any amounts of suspended solids exceeding a concentration of 500 mg/l.
- (ix) Any wastes with amounts of dissolved solids which may cause violation of the Regional Water Quality Control Board requirements.
- (x) Any wastes which have chloride concentrations greater than Regional Water Quality Control Board discharge requirements.
- (xi) Any wastes containing over 0.1 mg/l of dissolved sulfides.
- (xii) Any waste containing organophosphorous and carbonate compounds in amounts greater than 1.0 mg/l.
- (xiii) Any water added for the purpose of diluting any wastewater discharge which would otherwise exceed applicable constituent concentration limit shall be considered a violation of this ordinance.

No person shall discharge or cause to be discharged to any public sewer which connects to the District sewerage system any sewage, liquid waste or industrial waste, if in the opinion of the District Manager such discharge may have an adverse or harmful effect on sewers maintenance personnel, sewage treatment plant personnel or equipment, treatment plant effluent quality, public or private property, or may otherwise endanger the public or local ecological system or create a public nuisance. The District Manager in determining the acceptability of specific wastes, shall consider the nature of the waste and the adequacy and nature of the collection, treatment, and disposal system available to accept the waste. Affected persons shall have the right of appeal before the Board of Directors as set forth in Section 17.2j if the District Manager's determination creates an extreme hardship or is considered unreasonable.

- (r) Liquid Waste Sampling, Analysis and Flow Measurements. Periodic measurements of flow rates, flow volumes, Chemical Oxygen Demand and suspended solids shall be made as determined by the District Manager. All sampling, analyses, and flow measurements of industrial or liquid wastes shall be performed by a District approved laboratory or by District personnel. All sewage analyses shall be conducted in accordance with the appropriate procedure contained in the current edition of "Standard Methods." If no appropriate procedure is contained therein, the standard procedure of the industry or a procedure judged satisfactory by the District Manager shall be used to measure flow constraints and constituents. Any

laboratory or public agency performing tests shall furnish any required test date or information on the test methods or equipment used, if requested to do so by the District Manager. The sampling, analysis and flow measurement procedures, equipment and results shall be subject at any time to inspection by the District. Sample and flow measurement facilities shall be such as to provide safe access to authorized District personnel.

- (s) Damage to Sewerage Facilities or Processes By Prohibited Waste or Liquid Waste Discharge. Any discharger who negligently allows or intentionally discharges or causes the discharge of prohibited sewage liquid waste or industrial wastes to the public sewer and such discharge causes damage to District facilities or causes detrimental effects on District treatment processes shall be liable to the District for all damages occasioned thereby.
- (t) Excessive Sewer Maintenance Expense. No dischargers shall discharge or cause to be discharged to a public sewer, any waste that creates a stoppage, plugging, breakage, any significant reduction in sewer capacity or any other damage to sewers or sewerage facilities of the District. Any excessive sewer or sewerage maintenance expenses or any other expenses attributed thereto will be charged to the offending discharger by the District.
- (u) Availability of Sewerage Facilities. The sewerage capacity is limited to serve the residents in Bear Creek Estates Units 3, 4, and 5 and parcel number 89-241-16 inclusive. The specific parcel numbers of units to be served are as follows:
89.301.06; 89.301.07; 89.301.08; 89.301.21; 89.301.20; 89.301.11; 89.301.12;
89.301.13; 89.301.22; 89.301.16; 89.301.17; 89.301.18; 89.301.19; 89.301.02;
89.301.01; 89.301.03; 89.301.04; 89.301.05, 89.291.01; 89.291.02; 89.291.03;
89.291.04; 89.291.05; 89.291.06; 89.291.07; 89.291.08; 89.282.03; 89.282.04;
89.282.05; 89.282.06; 89.282.07; 89.282.08; 89.282.09; 89.282.10; 89.281.24;
89.281.23; 89.281.22; 89.281.21; 89.281.20; 89.281.29; 89.281.33; 89.281.17;
89.281.16; 89.281.15; 89.281.14; 89.281.13; 89.281.04; 89.281.03; 89.281.02;
89.281.01; 89.281.12; 89.281.32; 89.281.31; 89.281.10; 89.281.10; 89.281.09;
89.281.08; 89.281.07; 89.281.06; 89.281.05; 89.421.16 (Note: Not in Bear Creek Estates)

The above parcels are the only parcels eligible for connection to the system.

The District may refuse or delay immediate service to new facilities in the above specified parcels if quantity or quality of wastewater is unacceptable in the available treatment facility.

- (v) Discharge of Rainwater or Uncontaminated Water. No person shall discharge or cause to be discharged any rainwater, storm water, groundwater, street drainage, subsurface drainage, roof drainage, swimming pool, spa drainage, yard drainage,

water from yard fountains, ponds or lawn sprays or any other uncontaminated water into any sewage facility owned by the District.

- (w) Hookup Procedure for Parcels Designed to Be Incorporated into the System. A County building permit must be obtained prior to the request of the San Lorenzo Valley Water District for a permit to hook onto the system. The District will provide a letter of intent upon request by the parcel owner so a County building permit can be obtained. Once a permit request is filed with the San Lorenzo Valley Water District, one full set of plans will be required for Staff review of operation and proposed placement of mains and laterals for the collection of domestic wastewater. Prior to the issuance of the permit by the District, Staff will inspect the proposed site and review comments made by Santa Cruz County. If no errors or problems are encountered, a permit will be issued.

All mains, laterals and manholes are to be constructed in accordance with Santa Cruz County codes and requisitions. Site inspections will be required during construction of the new laterals and mains to insure proper construction procedures. The following quality assurance tests must be met before acceptance of a new lateral, main or manhole is approved.

It is the owner's responsibility to maintain the sewer lateral from the residence to the street main collection system.

Any owner may request to sell his/her hookup right which is connected to his/her parcel separate from the parcel itself. Prior to the sale of the hookup right, the owner is required to notify and receive Santa Cruz County approval and San Lorenzo Valley Water District approval in writing. The owner will be required to file a public notice of no connection possibility for a parcel previously listed as available for hookup to the Bear Creek Estates system and that the parcel will not be required to meet all Class II requirements as specified by the State. There are only 60 maximum connectible parcels for Bear Creek Estates Sewerage Facilities.

A recorded attachment to the deed of the property would be required stating the information contained in the public notice above.

Basic service costs include those for routine performance, inspections, enforcement, water utility monitoring, and general agency administrative costs and overhead. These services benefit all users to an equal degree and will be charged as an equal service fee to all users. Based on the agency budget adopted on Oct. 21, 1982, for fiscal years 1982-83, 1983-84, and 1984-85, the basic service fee will be \$45 per dwelling unit monthly equivalent. These costs will be collected in advance bi-monthly.

Special services costs include the services outlined below which benefit specific properties and which will be supported by the benefitting properties. Costs for these

services will be accounted for separately and billed on an as-delivered basis to the benefiting properties in the subsequent basic services bill.

Construction Inspections: \$60 per lot.

Special Inspections: \$15.00 per lot.

Design Inspections/Review: \$15.00 per lot.

Legal Costs for Abatement: Charged at agency cost.

Permit for Hookup to System: \$750 per lot.

Sewer Main Extension Required by Developer: At cost of developer plus inspection costs.

Costs are established by resolution of the Board of Directors and/or amendments to same. The residents and owners of the eligible parcels as specified in 17.2o are ultimately responsible for the costs to purchase, build, operate and maintain the system.

Article XV. CONTRACTS AND PURCHASING

Section 15.01 All purchase of and contracts for supplies, materials, equipment and services shall be based, whenever feasible, on competitive bids or quotations. Notwithstanding the provisions of these regulations, if the expenditure for the routine purchase of supplies, materials, equipment or services is estimated to cost Five Hundred Dollars (\$500) or less, the District Manager may authorize such purchase without calling for competitive bids or quotations.

Section 15.02 Public Notice. All contracts to be awarded by competitive bidding shall be advertised by posting notice on bid forms n a bulletin board at the office of the District, and by such further notice as herein specifically prescribed, and by such other form of notice as shall be determined by the Directors of the District.

Section 15.03 All purchases shall be made from and all contracts shall be awarded to the lowest responsible bidder, except that when price and quality are equal, preference may be extended to local bidders.

Section 15.04 Rejection of Bids. The Board of Directors hereby reserves the right and discretion to reject any and all bids if the Board determines that to do so would be in the best interest of the District, or for any other reason permitted by law.

Section 15.05 Informal Bidding Procedure. When the estimated cost for purchases of materials, supplies, or contractual services exceeds Five Hundred Dollars (\$500) but is less than Ten Thousand Dollars (\$10,000), the informal bidding procedure set forth herein shall be followed. Quotations shall be required and shall be solicited by posting notices to bidders on the Districts bulletin board and by written or telephone requests from at least three different available sources of supply. Upon receiving at least three quotations, the District Manager shall be authorized to contract for the purchase of

materials, supplies or services by means of a written purchase order. Quotations shall be open to public inspection for thirty days after purchase.

Section 15.06 Formal Bidding Procedures. When the estimated cost for purchases of materials, supplies, or contractual services exceeds Ten Thousand Dollars (\$10,000), the formal bidding procedure set forth herein shall be followed. Written contracts for the purchase of materials, supplies or services shall be required and shall be approved as to form by the attorney for the District.

Section 15.07 Waiver of Provisions--\$500 or less

- (a) Waiver of Provisions—Competitive Bidding. Notwithstanding any other provisions of these rules, the board by four-fifths vote may waive as to individual purchases the competitive bidding requirements of these rules and may make such purchases without calling for bids.

Section 15.08 Signing of Contracts. All contracts shall be signed in behalf of the District by the president of the Board of Directors.

Section 15.09 Professional, Specialized, Consultant or Sole Source. Whenever professional specialized consultant or sold source services or supplies are purchased, the Board may dispense with the provisions of this Article.

Article XVI. CROSS CONNECTION CONTROL PROGRAM

*** Blank ***

Article XVII. WELLS

Section 17.01 Definitions

- (a) "Well" or "water well" means any artificial excavation constructed by any method for the purpose of extracting water from or injecting water into the underground. "Well" or "water well" shall not include:
 - (i) Oil and gas wells, or geothermal wells constructed under the jurisdiction of the State, except those wells converted to use as water wells.
 - (ii) Wells or bores used for the purpose of dewatering excavation during construction or stabilizing hillsides or earth embankments.
- (b) "Individual domestic well" means a water well used to supply water for domestic needs or as is individual, residence, or commercial establishment.
- (c) "Industrial wells" means water wells used to supply industry on an individual basis.
- (d) "Agricultural wells" means water wells used to supply water for irrigation or other agricultural purposes, including so-called "stock wells."
- (e) "Person" means any person, firm, corporation or governmental agency.
- (f) "Health Officer" means the Santa Cruz County Health Officer or his authorized representative.
- (g) "Safe Yield" means the annual draft of water that can be withdrawn from an aquifer without producing some undesirable result such as reducing the total amount of water available or allowing the ingress of low quality water.

Section 17.02 Permit Requirement

- (a) No well shall be constructed within the District until a health permit is obtained from the County Health Officer by the Applicant under County procedure and regulations including quality and quantity and a well permit is issued by the District.
- (b) Within thirty (30) calendar days after receipt of the application, the Board shall either grant, conditionally grant, or deny the permit. A permit shall not be issued if in the judgment of the District Manager, the well may jeopardize the health, safety, or welfare of the people of the District. The District Manager shall require that there be compliance, at the Applicant's expense, with the California Environmental Quality Act and Water Well Standards of the State of California, if, in the District Manager's opinion there may be a significant effect on the environment or the resources of the District. The decision of the District Manager may be appealed to the Board.

- (c) The District may not deny a permit in areas which will not affect the wells of the District. In these areas the District, by the conditions of a permit, will only insure that wells will not damage other users of groundwater basins. The District may deny permits in areas which do affect the wells of the District and then only upon passing a resolution declaring a groundwater emergency.

Section 17.03 Permit procedure. Application for District well permit shall be made on forms provided by the District and shall include reference to a County Permit showing that the location and conditions meet requirements of the County Health Officer. Application for a well permit shall be accompanied with fee of \$25 provided however, that if said parcel or any portion thereof, be situated within 500 lineal feet or less from an existing fire hydrant, an additional fire protection, water storage and transmission fee shall be paid the District in the amount of 20 percent of the then current District water connection fee, and further provided that if the conditions imposed by the District require that said well use be monitored by the District pursuant to an Environmental Impact Report or other finding, that actual cost thereof shall be billed to the Applicant on a quarterly basis and the Applicant shall pay said billing within 30 days. The additional fire protection, water storage and transmission fee shall be waived if the parcel is a non-multiple unit customer of the District.

Section 17.04 Exemption for Pre-Existing Wells. Any property upon which a well had been completed prior to March 16, 1987, shall be exempt from the requirements of this article provided: (1) said existing well continues to meet health requirements, and (2) that the water extracted from the well shall not be used beyond the limits of the property upon which the well is situated, and (3) that the depth, diameter, or volume of the flow from the well is not increased.

Section 17.05 Well Failure. The issuance of a well permit does not warrant or assure that water production will continue or will be supplemented by the District in the event of subsequent failure of said private well. Permits, if issued, allow the Applicant to exercise a right to drill and use a well to serve the property upon which the well is situated. The permit procedure herein provided is a means to establish information and limitations on the extraction of water to protect the general health, safety and welfare of the entire community water supply.

Section 17.06 Reservation of District's Right to Serve Public. The issuance of a permit by the District shall not entitle the permit, his successors and assigns, to gain higher or exclusive rights to said water over those rights of the District, but shall be subject to the higher pre-emptive public rights of the District in the event of an emergency to protect the general health, safety and welfare of the District and its inhabitants.

Section 17.07 Expiration of Permits.

- (a) Each permit issued pursuant to this article shall expire and become null and void if the work authorized thereby has not been completed within one year following the issuance of the well permit.
- (b) Upon expiration of any permit issued pursuant thereto, no further work may be done in connection with construction, repair, reconstruction, or abandonment of a well unless and until a new permit for such purpose is secured in accordance with the provisions of this article.

Section 17.08 Investigation. The District Manager or his authorized representative may, upon reasonable cause to believe that a well is causing a nuisance by polluting or contaminating ground water, investigate the situation to determine whether such a nuisance does in fact exist. He shall have the power, when in the performance of his duty and upon first presenting his credentials and identifying himself as an employee of the District to any person apparently in control of the premises to enter upon such premises between the hours of 8:00 a.m. and 6:00 p.m. to discover or inspect any condition which appears to indicate such a nuisance. He may examine such premises, things, or conditions, take such samples and make such other tests as needed and take other steps reasonably necessary for the proper investigation and determination of whether such a nuisance exists.

Section 17.09 Order to Abate Nuisance. Whenever the District Manager determines that a well is polluting or contaminating groundwater or is otherwise not in compliance with the provisions of this article, the Board may order the abatement of said well as a nuisance in accordance with the provisions of this article or the County Water District Law.

Section 17.10 Groundwater Emergency. A groundwater emergency shall be declared in areas demonstrated to be experiencing a groundwater overdraft exceeding the safe yield in order to prevent further depletion and degradation of water resources where such degradation threatens the public health, safety and welfare of the community.

(a) Declaration of a Groundwater Emergency

A declaration of a groundwater emergency shall be made by the Board upon recommendation of the District Manager and only after a public hearing. Such an emergency shall be declared by resolution of the Board after said public hearing to consider all relevant information such as, but not limited to, the most current groundwater study, recommendations of water purveyors and only after the first three findings or the fourth can be made:

- (i) The designated areas experienced a groundwater overdraft exceeding the long-term average annual recharge of groundwater resources;
 - (ii) The creation of new wells or the expansion of existing wells will significantly increase the demand on the affected aquifer and thereby increase the overdraft and;
 - (iii) The continuation of the overdraft will result in further depletion and degradation of the water resource that can lead to, but is not limited to, impairment of the aquifer or allowing the ingress of low quality or saline waters.
 - (iv) Contamination of the groundwater has caused an emergency in the existing wells in the area.
- (b) Measures to Alleviate Groundwater Emergency. The areas where a groundwater emergency is declared, the Board shall take action to establish water conservation measures, to limit construction of new wells, to require pumping from or expansion of existing wells, and in order to prevent depletion and degradation of the affected aquifer.
- (c) Duration of Groundwater Emergency. A groundwater emergency and the measures enacted to alleviate the emergency shall remain in effect until rescinded as established below.
- (d) Rescinding of Groundwater Emergency. A groundwater emergency shall be rescinded by resolution of the Board after a public hearing when one of the following findings are made.
- (i) Alternative water sources which compensate for the existing overdraft and supply the affected area are developed.
 - (ii) A groundwater management program is implemented which will allow for additional development without contribution to groundwater overdraft; or
 - (iii) The Board determines that new information is available which indicates that the technical data upon which the original findings were based is no longer valid.

Section 17.11 Enforcement.

- (a) Notice of Violation. In the event a well subject to this article is found to be a public nuisance contrary to the terms of this article or the permit issued pursuant to this article, the District Manager shall give written notice to the owner of the land as shown on the most recent equalized assessment roll, or the permittee at this address listed on the permit if a permit has been issued, which notice shall state the nature of the violation, the corrective measure to be taken, and a reasonable

- time within which correction must be made. Said notice shall include a statement that if the landowner or permittee fails to make corrections within the period specified, the District may abate the condition at owner or permittee's expense.
- (b) Abatement by District. If the corrections listed in the notice given pursuant to 10a above are not made as required in said notice, the District Manager with the approval of the Board, and after a reasonable opportunity for the person notified to be heard by said Board, may abate the condition. The owner or permittee shall be liable for the cost thereof.
 - (c) Emergency Abatement. If the District Manager finds that a well subject to this article is, by reason of condition, operation or maintenance, causing significant irreparable damage to the groundwater or presents an immediate danger to health and safety, and that it is impracticable to notify the owner or permittee, the District Manager may perform emergency work necessary to abate the condition without giving notice as required in 10a above, and the owner of the land as shown on the last equalized assessment roll shall be liable for the costs thereof.

Section 17.12 Violation a Misdemeanor; Punishment. After publication of this article, it is a misdemeanor for any person to violate any provision, restriction or prohibition, until the article has been repealed or the emergency or threatened emergency has ceased, and upon conviction thereof, that person shall be punished by imprisonment in the County jail for not more than thirty days or by fine of not more than Six Hundred Dollars (\$600), or by both the fine and imprisonment.

Section 17.13 Conflicts. All ordinances of the District in conflict with the terms and conditions of this article are hereby repealed to the extent of such conflict.

SAN LORENZO VALLEY WATER DISTRICT

ORDINANCE NO. 108

RECENTION OF ORDINANCE 8 AND ADOPTION OF THE SAN LORENZO VALLEY
WATER DISTRICT RULES AND REGULATIONS

WHEREAS, the San Lorenzo Valley Water District follows certain rules, regulations, policies and procedures currently defined as 'Ordinance 8'; and

WHEREAS, it is appropriate that a regular review of the District's Rules, Regulations, Policy's and Procedures be conducted, allowing for revisions as determined by the Board; and

WHEREAS, after reviewing Ordinance 8 the Board of Directors of the San Lorenzo Valley Water District (hereinafter "Board") recognizes that Ordinance 8 has become outdated and inefficient; and

WHEREAS, the Board has reviewed the draft Rules and Regulations of the San Lorenzo Valley Water District as provided;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the San Lorenzo Valley Water District as follows:

The Board rescinds Ordinance 8 in its entirety,

AND THEREFORE, The Board adopts the Rules and Regulations of the San Lorenzo Valley Water District,

AND THEREFORE, The Board directs the District Manager to take all action necessary to put into effect the intent of this Ordinance.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 17th day of December 2015, by the following vote of the members thereof:

ROLL CALL:

AYES:

NOES:

ABSTAIN:

ABSENT:

BY: _____

ATTEST: _____

Randall Brown
President, Board of Directors

Holly B. Morrison
District Secretary

Article I. GENERAL PROVISIONS

Section 1.01

- (a) The manager shall institute measures to continually monitor the sources and facilities of the District to assure the adequacy of such sources and facilities to supply the customers of the District, both present and prospective.—Members of the District’s staff shall be encouraged and directed to report to the manager any changes in the sources and facilities which might affect in any way the capability of the District to supply its customers, present and prospective.—The Manager shall report to the Board of Directors as required from time to time by the Board of Directors, the status of the capability of the District’s sources and facilities to supply the District’s customers and meet the demands upon the waterworks system.
- (b) The manager shall review all applications for water service connections to determine whether such connections can be made to the District’s system or any subsystem thereof without impairing the system’s or subsystem’s capability of supplying water in accordance with good waterworks management practices and shall report to the Board of Directors when, in his opinion, the addition of service connections to the District’s system or any sub system thereof will reduce the level and quality of service to the near minimum of good waterworks management practices.
- (c) The planning and designing of repairs, replacement and improvements of District facilities shall be accomplished to provide for the orderly development of the waterworks system.—Wherever feasible, such planning and designing shall provide for the orderly expansion of the District’s waterworks system when it is foreseeable that such expansion is reasonably probable.
- (d) The manager shall communicate and consult with other public service agencies so that the District might cooperate beneficially with other agencies in water, sanitation, fire protection, resources management and recreation matters.

Section 1.02 Water System.—The District will operate and maintain a system plant, work and undertaking used for and useful in obtaining, conserving and disposing of water for public and private uses, including all parts of the enterprise, all appurtenances to it, and lands, easements, rights in land, water rights, contract rights, franchises, and the water supply, storage and distribution facilities and equipment.

Section 1.03 Separability.—If any section, subsection, sentence, clause, or phrase of this ~~ordinance-policy~~ is for any reason held to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this ~~ordinancepolicy~~.

- (a) Current records shall be securely maintained in the offices of the District ~~Manager and the District Secretary, which offices shall be locked after regular office hours or when the Manager and Secretary are absent from their offices.~~ Only ~~the District Manager, District Secretary and their~~ designated employees shall have keys access to said ~~offices records.~~ ~~Such designated employee shall use this key for access to the Manager and Secretary offices only as a substitute for the Secretary when the District Secretary and Manager are absent from the office during regular office hours.~~
- (b) The Secretary shall be responsible for controlling access to District records and for maintaining the records in an accurate and complete manner.
- (c) Any person, including a member of the Board, a District employee, a consultant or agent of the District, or a member of the public who desires to inspect District public records shall notify the District Secretary, or in her absence the District Manager or designated employee.
- (d) The District Secretary shall establish and implement a record control system designed to prevent the loss, misplacement or alteration of District Records. Any person seeking to inspect public records shall comply with this record control system.
- (e) Requests for Research, Identification, and Production of District Records.—The charge for researching, producing and identifying District records shall be the actual cost to the District.—Said rates shall be made available to the requesting party following receipt by the District of the request for said services.
- (f) Charge for Photocopying.—The charge for photocopying any District document or record shall be fifteen cents per standard or legal size page.

Section 1.04 Employer-Employee Relations.—~~Rules and Regulations~~Policies for the administration of employer-employee relations under the Meyers-Millias-Brown Act entitled "~~Rules and Regulations~~Policies of the San Lorenzo Valley Water District for the Administration of Employer-Employee Relations" are hereby adopted and made a part of these ~~regulations~~policies.

Section 1.05 Policy Regarding Access to Personnel Files.—It is the policy of the District to maintain the confidentiality of employee personnel files and records.—Such files and records are not public records and access shall be limited to legitimate administrative and judicial purposes as set forth in this ordinance.—Information contained in personnel files, which by law is of public record, such as compensation, shall also be maintained as a public record which the District shall maintain separately from the personnel files.

- (a) The District shall maintain all personnel files and records in a secured location with restricted access.

- (b) Upon request an employee shall be entitled to a copy of his or her complete personnel file and records.
- (c) No personnel files or records shall be removed from the District offices, except as compelled by judicial or administrative process or by any other specific provision of law.
- (d) Copies of such files or records may be made and/or released only in compliance with this ordinance.
- (e) The District shall not use or disclose or permit its employees, agents, members of the Board, or members of the public to have access to, or to use or disclose information contained in an employee's personnel file or records except as follows:
 - (i) The information may be disclosed to third parties if the employee (or his/her legal representative) signs a written, dated authorization for the District to disclose such information.—Such authorization may state limitations of the type or use of information to be disclosed, and the names or functions of the person(s) or entities authorized to obtain such information.
 - (ii) Such information which is relevant in a lawsuit, arbitration, grievance, or other claim or challenge to which the District and the employee are parties may be used or disclosed in connection with that proceeding.
 - (iii) Information which is relevant to the administration of the District, including the administration and maintenance of employee benefit plans, health care plans, disability plans, worker's compensation, insurance plans, financial and/or retirement plans, and other similar programs, may be used or disclosed for such purpose by the designated District employee(s) responsible for administering and maintaining such plan or program.
 - (iv) The designation of such employee(s) authorized to have access to personnel files of non-classified employees for any stated purposes shall be by Board resolution.
 - ~~(v) The designation of such employee(s) authorized to have access to personnel files of classified employees shall be made by the District Manager.~~
 - ~~(vi)~~(v) A Personnel Action Form shall be used to document administrative actions regarding employment status, compensation, benefits, and payroll deductions.—Said forms shall be distributed to the employees responsible for administering such programs.
 - ~~(viii)~~(vi) In an emergency situation, or when the employee is incompetent or incapacitated, medical information may be disclosed to a health care professional or facility to aid in the diagnosis or treatment of an employee.
 - ~~(viii)~~(vii) Except as otherwise provided in this ordinance, access to the personnel files of non-classified employees shall be limited to the members of the Board of Directors.—Such

access shall be limited to that part of the information contained in personnel files which is relevant to job qualification, performance, or evaluation.—_Access by the members of the Board to other information contained in a non-classified employee's file is permissible only upon a prior finding by the Board, except in an emergency, that there is a legitimate purpose for such disclosure. Such finding and subsequent authorized access by the Board may limit the manner, type, or use of the access or the disclosure.

~~(ix)~~(viii) Except as otherwise provided in this ordinance, access to the personnel files of classified employees shall be limited to the manager and the employee's supervisor or supervisors.

Article II. PUBLIC FIRE PROTECTION

Section 2.01 Use of Fire Hydrants.—_Fire hydrants are for use by organized fire protection agencies.—_Other parties desiring to use fire hydrants for any purpose must first obtain written permission from the District prior to use and shall operate the hydrant in accordance with instructions issued by the District.

Section 2.02 Penalties.—_The Board may provide penalties for the unauthorized use of hydrants.—_Unauthorized use of hydrants will be prosecuted according to law.

Article III. SEWERAGE ~~RULES, REGULATIONS, RATES, AND CHARGES~~POLICIES.

Section 3.01 Facilities

Section 3.01(a) Infiltration Test.—_Infiltration is the quantity of water entering a sewer line from the groundwater through such means as, but not limited to, defective pipe, pipe joints, connections or manhole walls.—_The infiltration test will be used if the static groundwater level is above the top of the constructed pipe. No pipe section will be accepted if the infiltration rate exceeds 100 gallons per inch diameter of pipe per mile length of pipe per 24 hours.

Section 3.02(b) Leakage Test.—_Leakage is the quantity of water that has to be added to the section of pipeline being tested to maintain the specified test head. With a minimum of four feet of water head on the pipe line, the allowable leakage will be computed by the formula $E = 0.00002 * L * D * H$ where:

E=the allowable leakage in gallons per minute of pipe tested

L=the length of pipe tested in feet.

D=the internal diameter of the pipe in inches.

H=the difference in elevation in the water surface in the upper manhole and the invert of the pipe at the lower manhole (feet).

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Section 3.03(c) Manhole Testing.—Each manhole is to be tested by either w1 or w2 above depending upon the groundwater conditions at the site of the specific manhole.

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(a)(i) Manhole Test—Infiltration.—All laterals or mains running through the manhole will be plugged with gasket caps or plugs securely fastened or blocked to prohibit water from leaving the manhole.—The amount of infiltration will be measured over a seven-day period and if the amount accumulated does not exceed 1.7 percent of the total volume of the structure, the test will be considered approved.

(b)(ii) Manhole Test—Leakage:—The test will be the same as for infiltration except the manhole will be filled to the maximum water surface level and measurements made at the beginning and end of the seven-day test period.—If the water loss computed between the two water level readings does not exceed 0.7 percent of the total volume of water in the structure, the test will be considered approved.

Section 3.04(d) Sewer laterals.—All sewer laterals connected to existing sewer mains must be compatible with the type of main line materials.—Quality assurance will be considered met when:—(1) the District receives a submittal from the contractor performing the work noting the type and class of pipe to be used for the lateral and connection to the main, (2) District personnel is present when attachment to the main is accomplished for visual inspection of the connection and (3) when an as-build drawing is submitted by the contractor to the District showing the location of laterals connected to the main and all invert elevations of the work performed.

Section 3.05(e) Obstruction Test.—The obstruction test is to verify that the constructed main or lateral is constantly sloping to the treatment facility and that no physical damage has taken place during construction of the pipe line.

The obstruction test will be accomplished by either method below by District personnel.

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(a)(i) Light Inspection.—Examine the pipe internally by means of a light held at one end and a mirror held at the other.—Repeat test with light and mirror interchanged.—Repair or correction of any misalignments, protuberances, defective portions or other defect will be required.

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(b)(ii) Ball Test.—When light test is not feasible, a ball test can be conducted by passing through the pipeline a round non-compressible ball which is one inch less in diameter than the internal diameter of the pipeline.—In the event the ball is not able to pass through the pipeline, repair of defective pipe section will be required.

Section 3.06(f) Quality assurance of the constructed lateral, main or manhole will be considered approved when the above tests are performed and all tests pass respective constraints and limits.—Any deficiencies are to be corrected within five working days after the respective test.—If the test fails after repairs are

made the first time, the District Manager may, at his discretion, require the complete replacement of the constructed lateral, main or manhole.

All contractor test procedures and replacements will be carried out by the contractor at his own expense.

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Section 3.07(g) Determination of Components. The determination of estimation of suspended solids or other components contained in sewage and liquid waste discharges shall be by one of the following methods.

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~~(a)~~(i) Sampling and analysis by District personnel.

~~(b)~~(ii) Estimates determined by a study of waste producing operations leading to the discharge.

Article IV. CONTRACTS AND PURCHASING

Section 4.01 Qualification of Bidders.

The District may, and on contracts for which the estimated cost exceeds \$50,000 (Fifty Thousand Dollars) the District shall require that bidders establish that they are qualified and responsible to provide the services, equipment, and/or materials to perform the contract in a safe, efficient, reliable and timely manner.—In order to evaluate those qualifications and to determine which low bid offers best response in quality, fitness and capacity to the District's requirements, prior to the award of the contract, the District shall require the low bidder or bidders to provide certain information as follows: (a) answer to questions contained in a standard form questionnaire and financial statement; (b) evidence of bonds and liability and workers' compensation insurance satisfactory to the District; (c) Evidence of a safety record acceptable to the District; (d) Necessary or appropriate licenses or certificates; and (e) an acceptable performance record with the District or any other public agency.

- (a) Questionnaire.—The questionnaire shall include questions which will provide information which will provide a basis for the District to evaluate the bidder. Such information shall include, among other things, information relating to the experience of the bidder in projects of a similar type as the proposed project, and shall include references of previous employers.—The questionnaire shall be signed by the bidder or an authorized designee under penalty of perjury.
- (b) Financial Statement.—The financial statement shall include information as required by the District for the District's use in determining the bidder's financial ability to perform the contract satisfactorily and shall be signed by the bidder or an authorized designee under penalty of perjury.
- (c) Safety Record.—The District may disqualify a bidder on the basis that the bidder's safety record is unacceptable.—In evaluating the safety record, the District shall

consider any violations of the CAL OSHA standards, the issuance of CAL OSHA citations, and the severity or liability exposure resulting from such citations.

- (d) Performance Record with the District or Other Public Agencies.—In evaluating the qualifications of a bidder, the District shall consider the bidders' performance record with the District or other public agencies.—Such evaluation shall include, among other things, consideration of the bidder's overall performance, safety, quality, timeliness and compliance with the contract.—Such evaluation shall also consider any outstanding claims or lawsuits involving the District and the bidder.
- (e) Prequalification of Bidders.—A prospective bidder shall have the option of prequalifying as a bidder on a given project.—To exercise this option, a bidder must complete and submit a package of the required qualification information, statements and evidences as set forth herein no later than fifteen days prior to the bid opening.—The District Manager will issue a preliminary finding as to whether the prospective bidder is qualified within 10 days after the completed qualification package is received.
- (f) Appeal of Preliminary Findings.—A bidder may appeal the District Manager's preliminary finding of disqualification to the Board of Directors.—A disqualified bidder may submit a bid pending a determination by the Board of that bidder's qualifications.—If that bidder is the low bidder the Board will consider the bidder's qualification and issue a finding prior to award of the contract.
- (g) Disqualification of Bidders.—The Board may disqualify any bidder who fails to submit the completed questionnaire, financial statement, licenses, safety record, bonds, insurances, or other required information in a timely manner.—The Board may disqualify any bidder whose information as required is not satisfactory and acceptable to the Board.—A bidder may be disqualified on the basis that the bidder, any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder, has been disqualified or prevented from bidding on or completing a federal, state, or local project because of a violation of law or a safety regulation.
- (h) Rejection of Bid.—Upon disqualification of a bidder as set forth herein, the Board may reject that bidder's bid for the contract award.
- (i) Questionnaires and Financial Statements Are Not Public Records.—The questionnaire and financial statements required herein are not public records and are not open to public inspection.

Section 4.02 Sealed Bids

- (a) Solicitation of Sealed Bids.—_Sealed bids shall be solicited by posting on the District’s bulletin board, or by mailing to at least three or more prospective bidders, bid forms listing materials and specifications or services desired.—_The Board of Directors may also direct that additional solicitation or public notice be provided.
- (b) Contents of Bid Forms for Sealed Bids.—_In addition to stating the amount, quality and specifications of materials or contractual services desired, bid forms shall contain or be accompanied by written statements indicating the latest date when sealed bids will be received; the date they will be opened; the amount, if any, f good faith deposit or bid bond to accompany the bid; whether or not a completion or delivery date bond will be required, and an envelope clearly marked “Sealed Bid” in which the bid is to be returned.
- (c) Submission of Sealed Bids.—_Sealed bids shall be submitted or mailed to the Secretary of the District, sealed in the envelope furnished by the District, accompanied with the amount of good faith deposit, if required, and accompanied by a statement under oath that the bidder has not been a party to any uniform or fixed price agreement.
- (d) Opening and Tabulation of Bids.—_All sealed bids shall be opened on the date set for opening and shall be tabulated and available for public inspection during regular business hours for a period of 30 days after opening.
- (e) Failure to Enter into Contract.—_Any successful bidder who fails to furnish an acceptable completion or delivery date bond as required or who fails to enter into a written contract with the District for a period of 10 days after notice of its approval by the District Counsel shall forfeit his good faith deposit or become liable to the District on his bid bond, if any, and the District may award the contract to the next lowest responsible bidder.

SAN LORENZO VALLEY WATER DISTRICT

RESOLUTION NO. 27 (15-16)

ADOPTION OF THE SAN LORENZO VALLEY WATER DISTRICT POLICIES AND PROCEDURES

WHEREAS, the San Lorenzo Valley Water District follows certain rules, regulations, policies and procedures currently defined as 'Ordinance 8'; and

WHEREAS, it is appropriate that a regular review of the District's Rules, Regulations, Policy's and Procedures be conducted, allowing for revisions as determined by the Board; and

WHEREAS, after reviewing Ordinance 8 the Board of Directors of the San Lorenzo Valley Water District (hereinafter "Board") recognizes that Ordinance 8 has become outdated and inefficient; and

WHEREAS, the Board has reviewed the draft Policies and Procedures of the San Lorenzo Valley Water District as provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District as follows:

The Board adopts the Policies and Procedures of the San Lorenzo Valley Water District,

AND THEREFORE, The Board directs the District Manager to take all action necessary to put into effect the intent of this Resolution.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 17th day of December 2015, by the following vote of the members thereof:

ROLL CALL:

AYES:

NOES:

ABSTAIN:

ABSENT:

Holly B. Morrison
District Secretary

M E M O

TO: Board of Directors
FROM: District Manager
SUBJECT: FINANCIAL SUMMARY
DATE: December 10, 2015

RECOMMENDATION:

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

BACKGROUND:

The District is in the process of implementing the new software, Springbrook. Through this process we will be able to utilize much more powerful reporting tools than before. Having the ability to extract data and write custom reports will allow me to gradually build a financial summary report we will use going forward.

Attached is a brief view of some of the types of data we will be reporting on. Please bear with me as we continue to scrub through the process. I plan to try and enhance the report over the next few months and have a more robust financial summary report for the third quarter, March 31, 2016.

Regards,

Stephanie Hill
Finance Manager



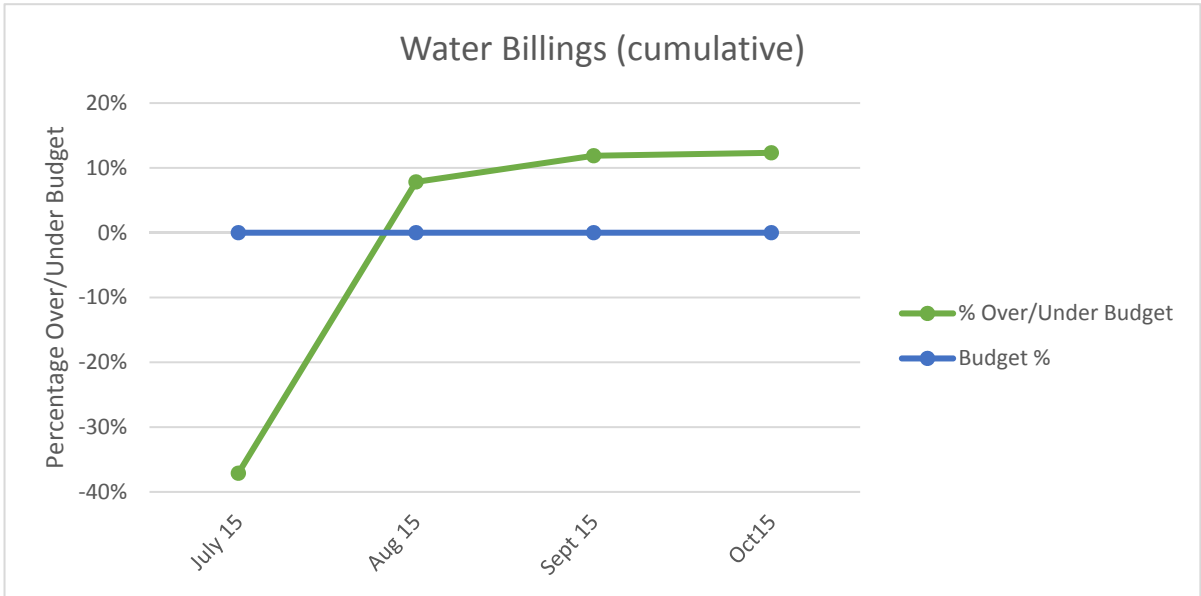
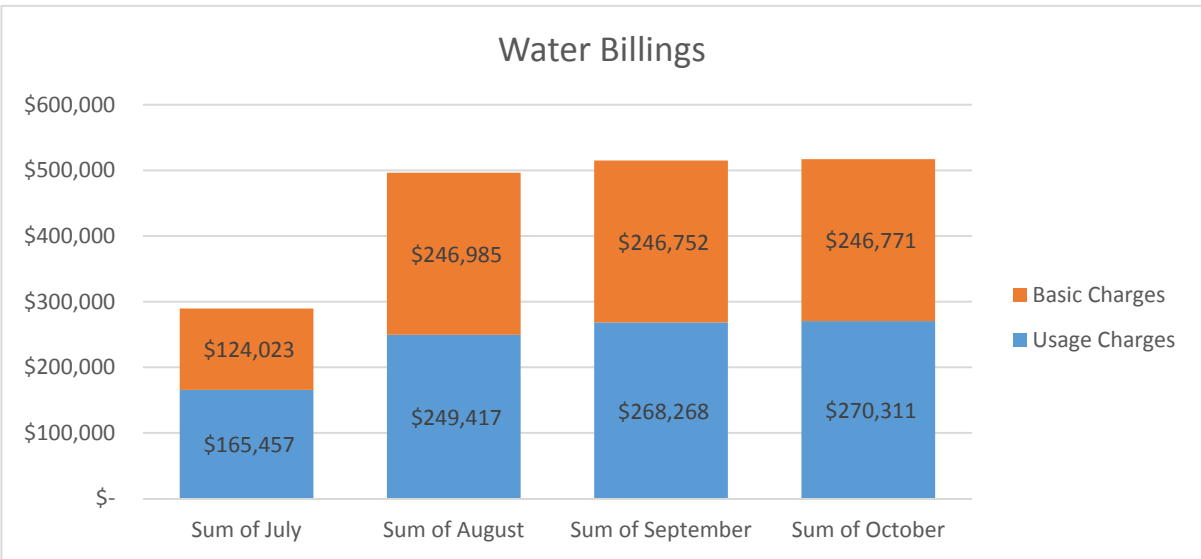
13060 Highway 9
Boulder Creek, CA 95006-9119
(831) 338-2153 phone
(831) 338-7986 fax

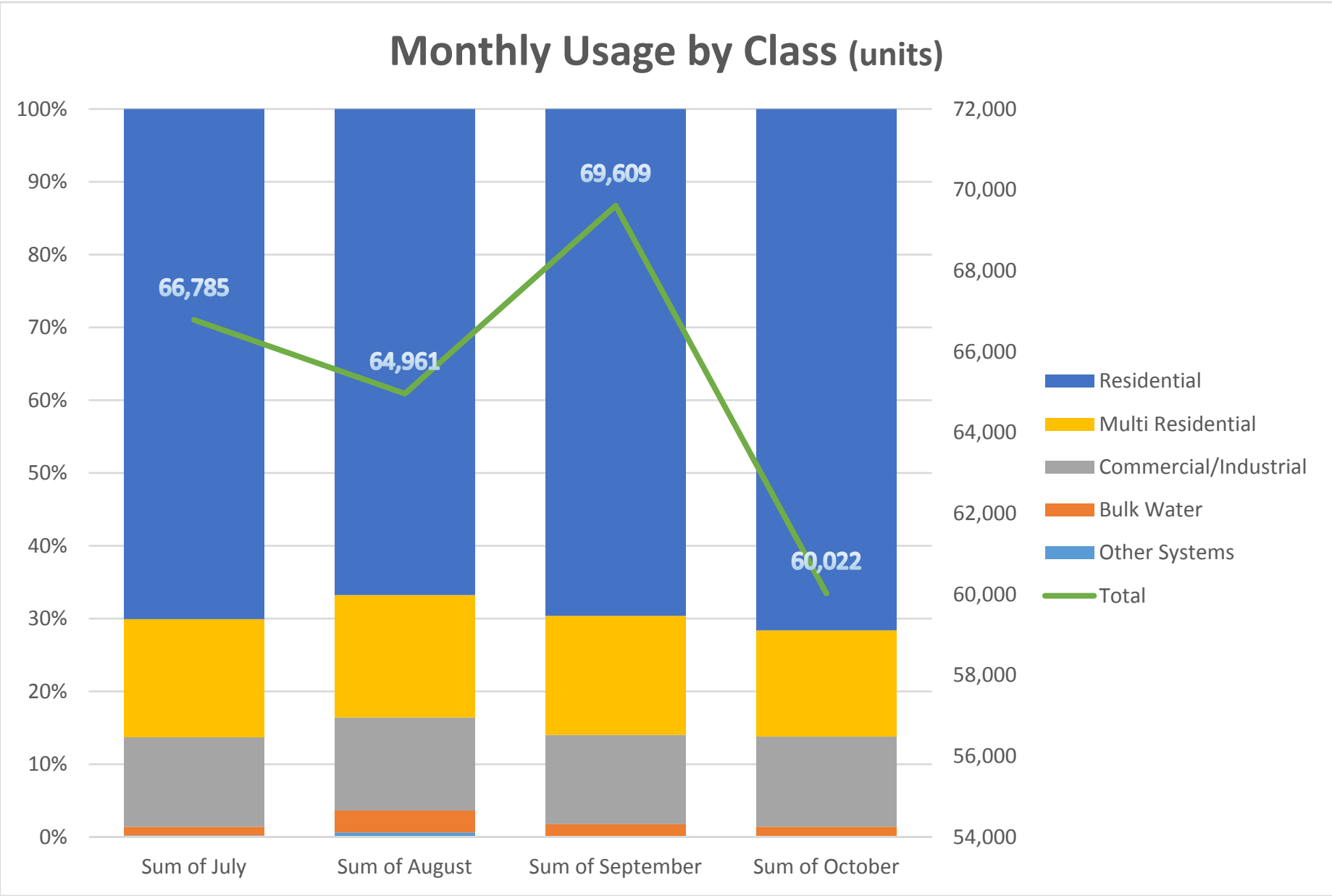
OPERATING INCOME FINANCIAL SUMMARY

[A]	JULY	AUGUST	SEPTEMBER	OCTOBER	YTD	FY1516 BUDGET	% of Budget
OPERATING REVENUE	[B]						
Water Basic	124,023	246,985	246,752	246,771	864,531		
Water Usage	165,457	249,417	268,268	270,311	953,454		
Water Fees	2,610	4,000	9,545	7,740	23,895		
Water Misc	(4,913)	164,866	13,632	23,405	196,992		
Sewer	-	8,209	8,195	8,195	24,599		
Sewer Misc	-	-	-	-	-		
TOTAL OPERATING REVENUE	287,178	673,477	546,393	556,423	2,063,470	5,710,000	36.1%
OPERATING EXPENSES:							
Salaries & Benefits	333,370	237,346	382,719	351,514	1,304,949		
Materials & Services	215,699	211,103	96,715	216,007	739,524		
TOTAL OPERATING EXPENSES	549,069	448,449	479,434	567,520	2,044,473	5,849,755	34.9%
OPERATING INCOME (LOSS)	(261,891)	225,027	66,959	(11,097)	18,998	(139,755)	-13.6%

[A] There are still some journal entries to be made from the conversion of data. For example, Water Misc. in July will not have a negative balance once all journal entries are posted.

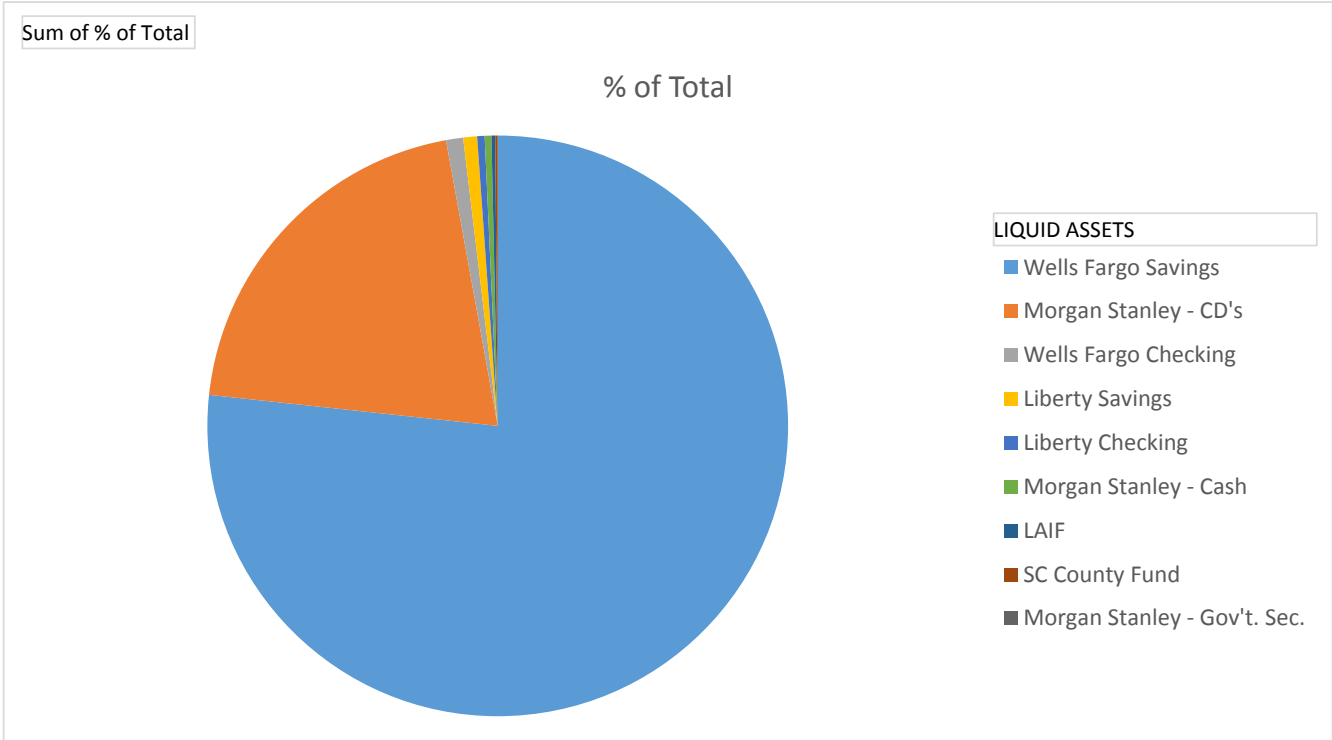
[B] The switch to two billing cycles causes July to appear to only have one billing cycle have gone out since the second cycle was billed 8/5/15. This will cause this fiscal year to look off half a cycle since revenue is booked as it is invoiced.





AS OF 10/31/15

LIQUID ASSETS	\$ Amount	% of Total	Ave Interest Rate
Wells Fargo Checking	15,283	0.9%	0.180%
Wells Fargo Savings	1,239,550	76.7%	0.260%
Liberty Checking	6,649	0.4%	0.001%
Liberty Savings	12,501	0.8%	0.150%
Morgan Stanley - Cash	6,064	0.4%	0.010%
Morgan Stanley - Gov't. Sec.	-	0.0%	0.010%
Morgan Stanley - CD's	330,355	20.4%	1.870%
SC County Fund	2,214	0.1%	0.578%
LAIF	3,356	0.2%	0.357%
	\$ 1,615,971	100%	



M E M O

TO: Board of Directors
FROM: District Manager
SUBJECT: FINANCE DEPARTMENT STATUS REPORT
DATE: December 9, 2015

RECOMMENDATION:

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

BACKGROUND:

SPRINGBROOK

Similar to the past, we are constantly working and learning the new modules. The department has been spending a lot of time re-writing and improving our processes and procedures for the new system. We are continually seeking new efficiencies with the new system.

ELECTRONIC NOTIFICATION SYSTEM

We have our new notification sign up form available online and in the office. This will allow for customers to sign up for voice, text or e-mail alerts from the District. We will be sending out alerts for people that have a past due balance in hopes payments will be made to avoid tag or turn-off penalties. We will also be able to send out alerts for emergencies or when a large area is out of water. This tool has great potential to be able to reach out to our customers.

CUSTOMER SERVICE

Our customer service team has had a lot of change over the past year. The majority are new faces and they have been doing a great job learning about the District and the new system. Whether it is a new bill, real estate trends, or issues like the drought; any changes, no matter how small, lead to an influx of paperwork, phone calls or walk-ins from customers.

The front office staff is typically the first point of contact with our customers. With the upcoming rate increase and drought surcharge, I anticipate them to have a high volume of calls and questions coming in.

Following is a summary of some of the different things we have been tracking.

CUSTOMER SERVICE DEPT SUMMARY

Monthly Stats:	November	
Cut In/Outs	83	<i>These are new tenants moving in/out or new owners</i>
Final Bills	62	<i>Final bills sent to tenants/owners</i>
Tags *	400	<i>Number of late payment notices left at service address</i>
Turn-offs *	68	<i>Number of turn offs for not paying the late tag notification</i>

** we are hoping the new Notification System will help customers take care of any past due balances before we need to hang a physical tag. The tag and turn off process is very laborious and time consuming and something we are looking to modernize.*

Online / Going Green

As of 12/8/2015

Online Sign-ups	1,963
E-Bills	487
Auto Pay	1,458

Weekly Check Processing: *(does not include walk in cash/credit card payments)*

Physical Checks run in office

16-Nov	529
17-Nov	25
18-Nov	140
19-Nov	95
20-Nov	<u>204</u>

Weekly Total of Checks 993

This is a display of how flexible the Customer Service staff must be; from 529 checks one day, going down to only 25 the next day! All payments received in the mail are processed same day. There are constant spikes that can completely change what an employee was planning to work on that day. The daily deposit and reconciliation can take up a full day, not to mention other interruptions staff

must balance as well. We have been and will continue to work on ways to streamline our internal processes and interactions with the public. I want to commend our Customer Service staff for the great work that has been produced over the years and their willingness to adapt with all the changes currently going on.

M E M O

TO: District Manager
FROM: Director of Operations
SUBJECT: OPERATIONS DEPARTMENT PROJECT STATUS REPORT
NOVEMBER 2015
DATE: December 11, 2015

RECOMMENDATION:

It is recommended that the District Manager review and file the Operations Department Project Status Report for the month of November 2015.

BACKGROUND:

OPERATIONS DEPARTMENT PROJECT STATUS REPORT

The Operations Department Status Report continues transition to a new format adding statistical data in regard to the operations of the District's three service areas. The report will be completed for the second Board of Directors meeting in the month for the previous month. This report contains the November 2015 Department Report.

DROUGHT CONTINGENCY PLANNING

Staff continues monitoring consumption/production throughout the system. Surface water sources have dropped off 45.55% in the North System compared to September 2013. Water production system wide is down 28.09% from October 2013

SURFACE WATER SOURCE METER REPLACEMENTS

During the reporting period staff completed installing new surface water meters. Staff installed new meters at the Bennet, Bull, Fall Creek, Sweetwater, and Clear surface water sources. Several of the streams use one common meter to register water flow. Individual meters were installed at each source to ensure more accurate recording. The 2014-15 Fiscal Year budget provided for surface water meter replacement/additions

BLUE TANK MAINTENANCE

During the reporting period staff perform maintenance due to vandalism at the facility. Damage to the roof vents requires repairs and broken beer bottles, and graffiti was removed from the site. Blue Tank located in Manana Woods is an unfenced facility. Fencing will be considered in next year's fiscal budget.

WATERSHED ACCESS ROAD MAINTENANCE

Staff and erosion control specialist Steven M Butler perform maintenance to drainage on the Districts watershed access roads. Water bars and gutter maintenance was performed on Olympia, Bennett Spring, Peavine and the Five Mile access roads. This maintenance is performed annually.

Rick Rogers
Director of Operations

SAN LORENZO VALLEY WATER DISTRICT PRODUCTION

Source	This Month November	Last Month October	This Month 2013	Difference This Year To 2013
North System				
Surface Water Sources				
Foreman Creek	1,923,300	1,644,896	1,370,000	
Peavine Creek + Hydro	427,400	619,000	1,729,000	
Clear Creek	854,500	737,252	2,850,600	
Sweetwater Creek	1,068,800	737,252	1,900,400	
Sub-Total (Streams)	4,274,000	3,738,400	7,850,000	-45.55%
Wells (North)				
Olympia No. 2	13,971,000	15,987,000	7,905,000	
Olympia No. 3	455,000	7,059,000	5,559,000	
Quail Well No. 4-A	4,453,000	5,196,000	9,156,000	
Quail Well No. 5-A	2,631,400	3,105,100	5,727,000	
Sub Total North Wells	21,510,400	31,347,100	28,347,000	-24.12%
South System Wells				
Pasatiempo 5A	2,849,500	3,959,000	N/A	
Pasatiempo 6	3,583,000	2,387,000	8,724,000	
Pasatiempo 7	1,212,000	1,635,000	2,344,000	
Sub Total Pasatiempo Wells	7,644,500	7,981,000	11,068,000	-30.93%
North South All Sources Combined	33,428,900	43,066,500	47,265,000	-29.27%
Felton System - Surface Water				
Fall Creek	5,511,400	5,351,793	7,636,860	
Bennett Spring	1,776,107	1,689,365	3,140,800	
Bull 1 & 2	1,516,644	1,670,456	0	
Total Felton System Sources	8,804,151	8,711,614	10,777,660	-18.31%
Manana Woods System				
Well 1	-	115,118	684,534	
Paso Mana By Pass	623,458	744,306	324,401	
Total Manana Woods Sources	623,458	859,424	1,008,935	
Sub - Total Production				
North / Felton / Manana	42,856,509	52,637,538	59,051,595	-27.43%
Less South /Manana Inter-Tie	623,458	744,306	324,401	
Total Production	42,233,051	51,893,232	58,727,194	-28.09%

**SAN LORENZO VALLEY WATER DISTRICT
PRODUCTION BY SYSTEM
+/- INTERTIES
NOVEMBER 2015**

North System All Sources	33,428,900
Interties IN +	1
Interties OUT -	694,555
TOTAL NORHT SYSTEM	32,734,346
Felton Water system All Sources	8,804,151
Interties IN +	4,525
Interties OUT -	1
TOTAL FELTON SYSTEM	8,808,675
Manana Woods System	0
Interties IN +	623,458
TOTAL MANANA WOODS	623,458

SAN LORENZO VALLEY WATER DISTRICT INTERTIE USAGE NOVEMBER 2015

INTERTIE 2

SLVWD to SVWD 0.00

SVWD to SLVWD 0.00

INTERTIE 3

SLV SOUTH to SLV NORTH 0.00

SLV NORTH to SLV SOUTH 0.00

INTERTIE 4

SLVWD to MHWD 0.00

MHWD to SLVWD 0.00

INTERTIE 6

SLV NORTH to SLV FELTON 4525.00

SLV FELTON to SLV NORTH 1.00

LOMPICO INTERTIE

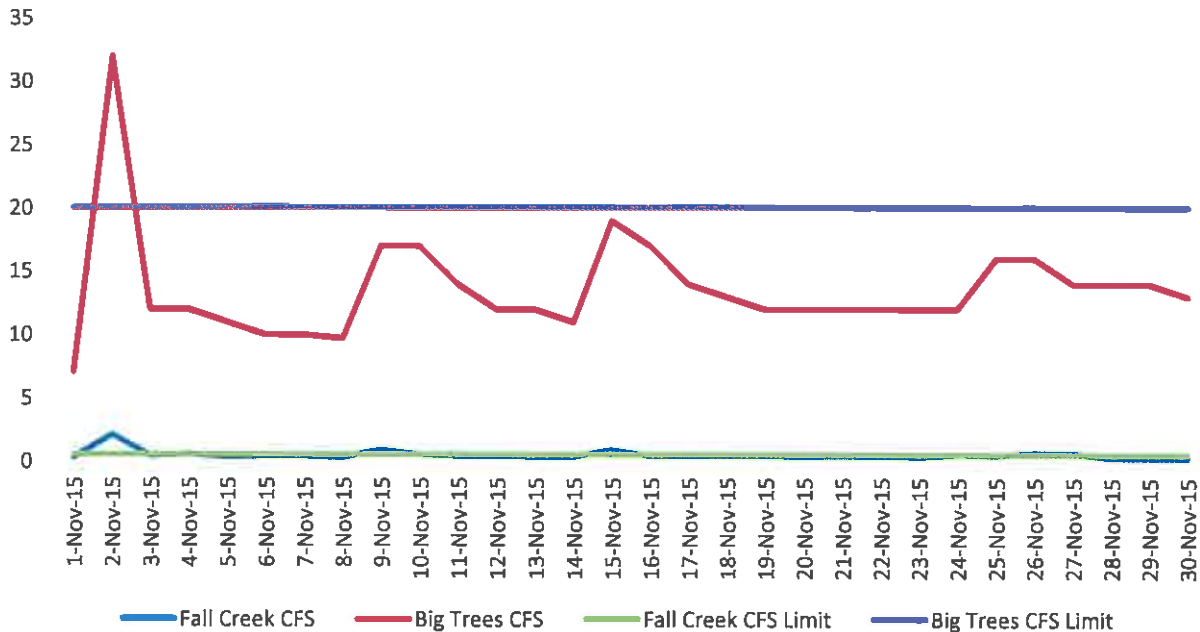
SLV NORTH to LOMPICO 66,572

MANANA WOODS INTERTIE

SLVWD to MANANA WOODS 623,458

Fall Creek Intake November 2015

Fall Creek Intake Bypass San Lorenzo River Big Trees November 2015



Normal Rainfall Fall Creek Intake Bypass Requirements

April 1 through October 31 1.0 cubic feet per second

November 1 through March 31 1.5 cubic feet per second

Dry Conditions Fall Creek Intake Bypass Requirements

April 1 through October 31 0.5 cubic feet per second

November 1 through March 31 0.75 cubic feet per second

Number of Days in month 0.75 cfs or below, 29 days

San Lorenzo River USGS Big Trees Flow Requirements

September 10 cubic feet per second

October 25 cubic feet per second

November 1 through May 31 20 cubic feet per second

Fall Creek Intake November 2015

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

Fall Creek Weir Measurement														
Month: November		Year: 2015		Big Trees > 26,500 Acre-ft Oct-Feb Normal Yr			Big Trees <26,500 Acre-ft Oct-Feb Dry Yr			X				
Date	Time	Initials	Pump #	Fall Cr. GPM into Kirby plant	Weir Board Height	Weir Height Measurement	Fall Creek (Cubic Feet per Second)	Big Trees (Cubic Feet per Second)	Rainfall (Felton gauge)	Met Fall Cr, Bypass Requirement: Normal Year April 1 - Oct 31 1.0 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 21cfs Sept 11 cfs Oct 26 cfs (yes/no)		Notes
1	09:50:	JG	1	186	25.0	28.9	0.27	7.1	1.08	No	No			
2	13:15	JG	1	0	25.0	33.9	2.04	32	0	Yes	Yes	Plant off		
3	15:25	JG	1	194	25.0	29.6	.385	12.0	0	No	No			
4	14:20	JG	2	0	25.0	30.2	0.52	12.0	0	No	No	Plant off		
5	10:25	JG	2	153	25.0	29.1	0.29	11.0	0	No	No			
6	14:35	JG	2	163	25.0	29.4	0.36	10.0	0	No	No			
7	12:45	JT	2	149	25.0	29.4	0.36	10.0	0	No	No			
8	09:35	JT	2	165	25.0	28.9	0.27	9.7	0.46	No	No			
9	13:35	DB	2	175	25.0	31.2	0.84	17.0	0.23	Yes	No			
10	14:45	DB	2	151	25.0	30.0	0.495	17.0	0	No	No			
11	11:00:		2	153	25.0	29.4	0.36	14.0	0	No	No			
12	14:40	JG	2	169	25.0	29.4	0.36	12.0	0	No	No			
13	15:40	JG	2	170	25.0	29.7	0.31	12.0	0	No	No			
14	8:55	DB	2	149	25.0	29.2	0.31	11.0	0.55	No	No			
15	14:30	DB	2	147	25.0	31.2	0.84	19.0	0	Yes	No			
16	11:05	JG	2	153	25.0	29.6	0.385	17.0	0	No	No			
17	13:15	DB	2	0	25.0	29.4	0.36	14.0	0	No	No	Plant off		
18	15:25	JG	2	156	25.0	29.6	0.385	13.0	0	No	No			
19	15:15	JG	2	168	25.0	29.6	0.385	12.0	0	No	No			
20	09:35	JG	2	165	25.0	29.4	0.36	12.0	0	No	No			
21	13:30	JG	2	154	25.0	29.6	0.385	12.0	0	No	No			
22	09:30	JG	2	153	25.0	29.4	0.36	12.0	0	No	No			
23	14:25	JG	2	167	25.0	29.2	0.31	12.0	0.03	No	No			
24	10:45	JG	2	156	25.0	30.0	0.495	12.0	0.56	No	No			
25	13:00	JG	2	157	25.0	29.8	0.438	16.0	0	No	No			
26	09:38	HO	2	0	25.0	30.4	0.588	16.0	0	No	No	Plant off		
27	07:30	HO	2	0	25.0	30.4	0.588	14.0	0	No	No	Plant off		
28	11:05	HO	2	172	25.0	28.9	0.27	14.0	0	No	No			
29	08:46	HO	2	158	25.0	28.9	0.27	14.0	0	No	No			
30	09:55	JG	2	173	25.0	28.9	0.27	13.0	0	No	No			
31	:													

Appendix 2.17.15
tem 1/18/15

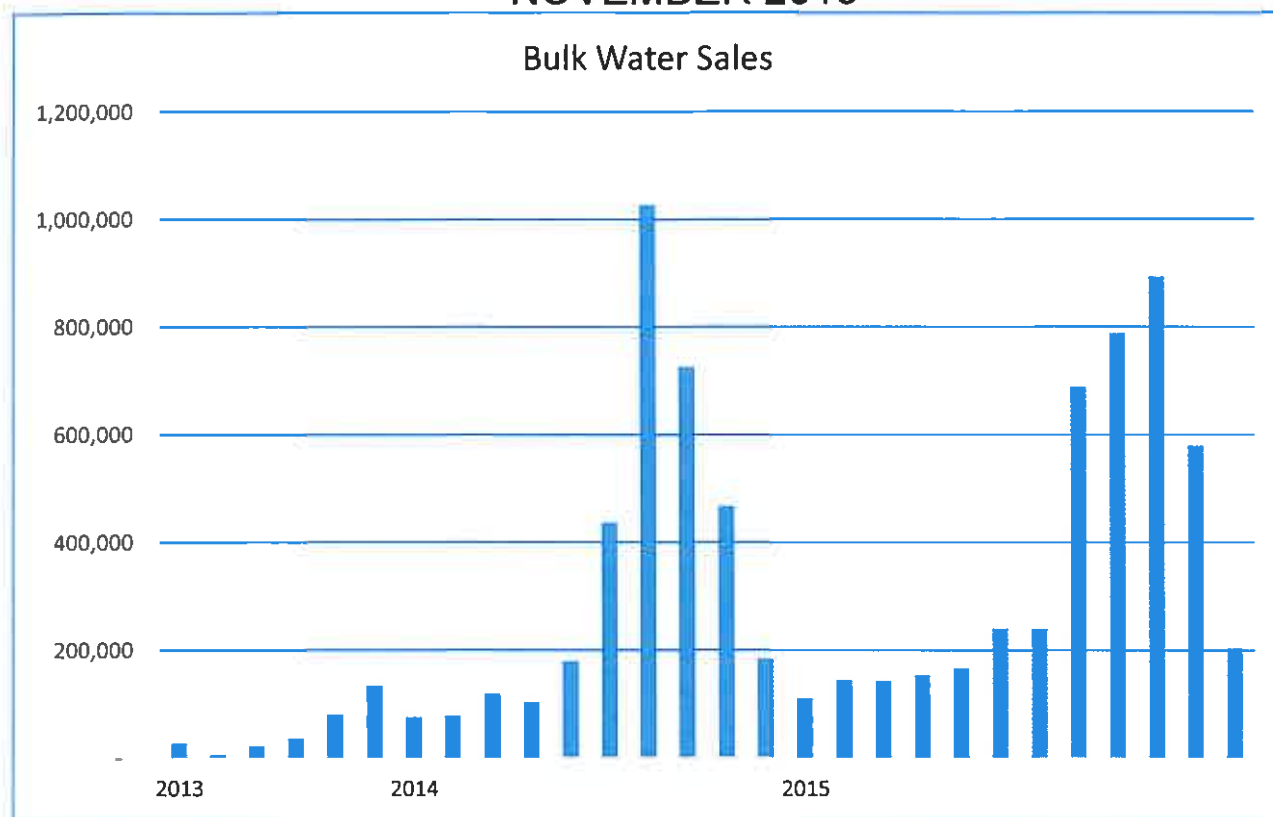
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SAN LORENZO VALLEY WATER DISTRICT

BULK WATER SALES

GALLONS

NOVEMBER 2015



<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
January			144,364
February	5,984	78,540	142,868
March			152,592
April	21,692	119,680	166,804
May		103,972	240,983
June	35,904	178,772	239,360
July		435,336	688,160
August	81,352	1,026,256	787,644
September		725,560	893,112
October	134,640	466,752	579,700
November		183,260	203,456
December	76,296	109,965	
Totals	355,868	3,318,128	4,239,043

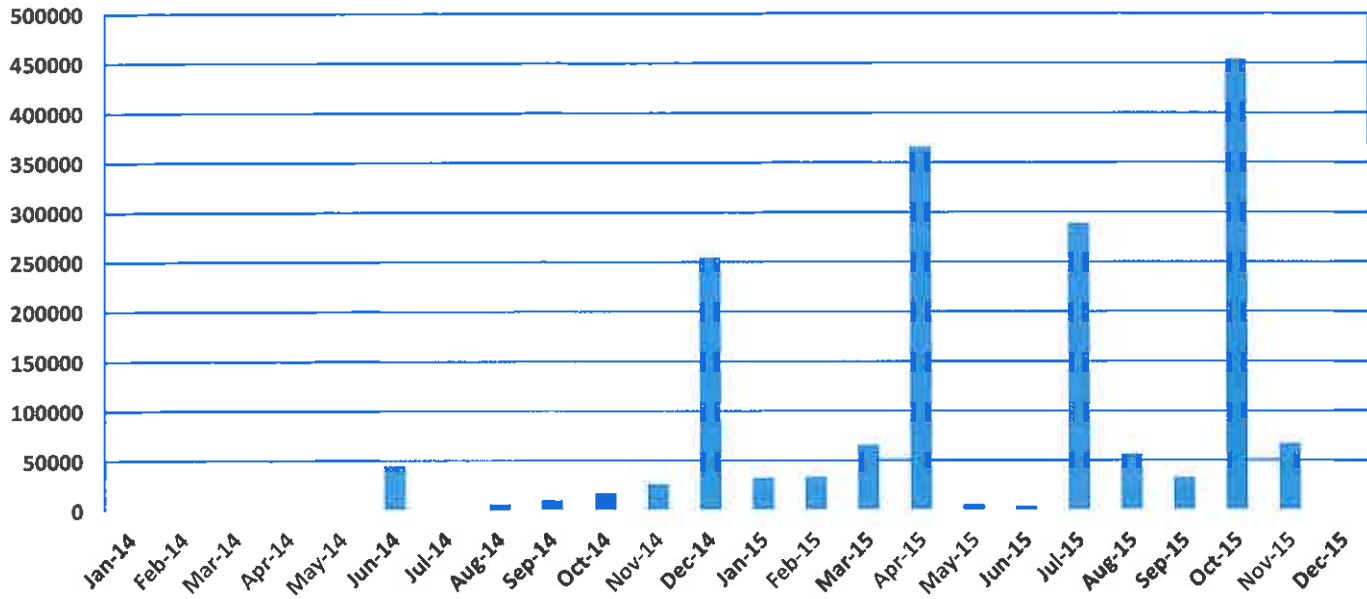
San Lorenzo Valley Water District
 Authorized Unmetered Water Use
 Gallons
 November 2015

<u>North System</u>	Monthly Total	Yearly Total
Mainline Flushing		
Tank Leakage Redwood Tanks	142,560	
Probation	1.7 GPM	
Upper Swim	1.1 GPM	
Blue Ridge	0.2 GPM	
Echo	0.1 GPM	
*Highland	0.2 GPM	
Process Water	100,656	
Lyon CL2 Analyzer	0.02 GPM	
Quail 5 CL2 Analyzer	0.11 GPM	
Olympia CL2 Analyzer	1.32 GPM	
Paso 5a CL2 Analyzer	0.70 GPM	
Firefighting		
Tank Overflow	0	
Waste Water	0	
Sub Total North	<u>243,216</u>	
 <u>Felton Water System</u>		
Mainline Flushing		
Tank Leakage El Solyo	0.2 GPM	8,640
Process Water		
Kirby WTP Analyzers	0.80 GPM	
Firefighting		
Tank Overflow		
Sub Total Felton		<u>43,200</u>
 <u>Manana Wood System</u>		
Mainline Flushing		
Tank Leakage		
Process Water		
Firefighting		
Tank Overflow		
Sub Total Manana Woods		0
Total all System		<u>286,416</u>
*New in October		

**SAN LORENZO VALLEY WATER DISTRICT
LOMPICO INTERTIE
NOVEMBER 2015**

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Production in Gallons

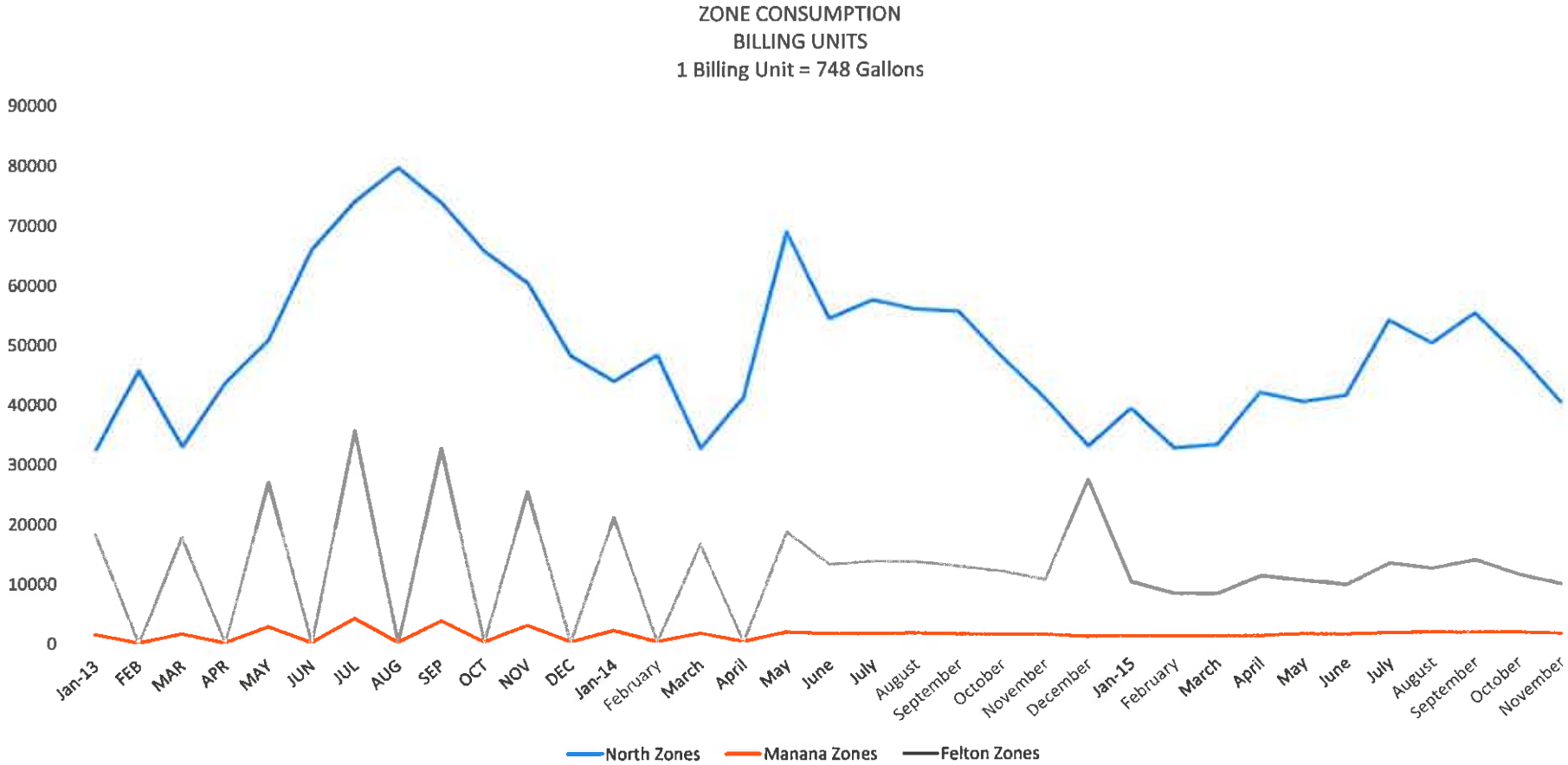


Month / Year	2014	2015
January		32,164
February		32,912
March		65,076
April		365,540
May		3,740
June	44,800	3,740
July		288,728
August	5,984	55,934
September	9,724	32,252
October	17,204	454,036
November	26,180	66,572
December	254,320	
Totals	358,212	1,400,694

SAN LORENZO VALLEY WATER DISTRICT

Consumption by Zone

225



SAN LORENZO VALLEY WATER DISTRICT
Consumption by Zone

Zone	Jan-15	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV
1	326	311	347	322	397	375	402	458	415	425	343
2	83	81	121	183	170	164	189	223	237	221	196
3	189	185	203	220	208	237	326	253	291	274	229
4	6869	5450	5779	7138	6624	7035	9539	7914	8396	7595	5959
5	1724	944	1032	1115	1169	1405	1512	1356	1652	1463	1085
6	60	44	51	49	52	51	52	62	63	60	48
7	71	59	64	78	67	68	100	89	114	82	70
8	4567	3788	3864	4590	4438	4849	6115	5352	6775	5380	4144
9	302	255	287	340	274	293	386	353	466	363	301
10	54	41	40	59	55	75	85	68	70	79	45
11	649	464	401	538	468	528	709	571	667	654	514
12	13	10	12	15	12	15	17	17	17	23	12
13	437	270	298	391	350	390	508	383	507	407	399
14	516	415	428	589	514	538	689	595	2385	617	439
15	8	8	15	20	17	18	27	14	44	23	14
16	8729	7826	8767	10388	10232	10971	13128	13307	14181	13525	10530
17	282	217	214	258	226	281	268	258	314	234	228
18	827	673	674	810	705	717	911	776	962	755	737
19	284	246	256	312	264	261	317	280	373	278	295
20	742	597	605	823	761	732	1018	889	940	1013	789
21	3367	2493	2587	3317	3984	3259	5163	5226	4947	4679	4120
22	7333	6458	5402	8115	7125	7006	9817	9032	9940	7359	7438
23	720	761	716	1160	937	979	1331	1187	1561	1327	1079
24	736	584	592	684	867	715	935	1063	929	929	696
25	576	524	506	667	774	701	857	920	877	884	667
26	154	132	141	165	202	177	219	220	201	225	164
27	25	17	21	18	14	15	20	22	36	23	15
28	264	227	206	276	288	259	322	374	364	208	148
29	158	130	125	179	140	154	234	198	243	185	171
30	239	193	191	268	286	231	333	256	307	271	236
31	7477	6048	5906	8188	7683	7018	9736	9279	10208	8432	7030
32	231	176	210	236	207	212	268	244	359	275	297
33	1446	1108	1175	1590	1346	1350	1877	1548	1772	1445	1324
	49,458	40,735	41,236	53,101	50,856	51,079	67,410	62,787	70,613	59,713	49,762
									Total		596,750

	Jan-15	February	March	April	May	June	July	August	September	October	November
North Zones	38888	32180	32755	41514	39916	40962	53544	49726	54707	47765	39710
Manana Zones	755	673	668	668	990	893	1096	1162	1114	1132	846
Felton Zones	9815	7882	7813	10737	9950	9224	12770	11899	13253	10816	9206

SAN LORENZO VALLEY WATER DISTRICT
Consumption by Zone

2024 Zones	Jan-14	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEPT	OCT	NOV	DEC
1	0	911	0	686	616	548	514	562	492	457	411	300
2	0	397	0	279	228	197	190	214	217	149	167	92
3	0	577	0	422	373	284	311	389	266	310	235	163
4	17	14471	5	12306	10732	9023	9868	9573	8845	8286	6338	5540
5	5	2647	-22	2116	1829	1600	1654	1652	1407	1291	1184	854
6	2	104	0	89	71	52	53	51	44	42	45	41
7	0	215	81	134	133	94	106	101	107	89	61	41
8	238	9707	0	8387	5879	5312	6271	5501	6341	5593	4051	3837
9	0	900	0	631	457	496	425	515	419	426	380	221
10	0	106	4	105	101	102	88	94	139	68	51	33
11	0	1533	0	1109	789	716	700	644	725	542	545	379
12	0	22	0	25	29	18	17	20	40	18	19	6
13	2	887	0	721	648	484	561	515	457	472	327	261
14	0	1258	0	902	756	702	761	704	653	691	466	354
15	0	33	11804	30	26	30	32	18	19	19	12	8
16	15851	9694	0	9163	18029	14392	14747	15650	14297	11712	10482	7978
17	0	578	0	490	306	263	302	273	309	260	222	325
18	7	1747	0	1481	1578	947	957	868	1034	799	823	533
19	1	762	0	544	417	317	351	320	363	301	321	194
20	1973	11	1334	15	1487	1060	1203	987	964	971	778	593
21	7125	25	5372	0	6284	4518	4780	4705	4212	3912	3450	3327
22	16003	11	12196	2	14711	10524	10920	10121	11515	9124	8293	6193
23	2451	0	1634	0	1960	1700	1315	1264	1472	1215	1045	730
24	33	1474	31	1286	1260	920	1172	990	969	894	927	604
25	1435	0	1049	0	1172	1008	973	1025	909	830	777	514
26	404	0	300	0	348	250	245	286	237	210	206	133
27	49	0	40	0	47	21	23	22	22	19	31	12
28	730	0	541	0	602	412	375	466	345	355	326	229
29	311	0	182	0	317	248	286	257	248	247	173	138
30	640	0	457	0	526	355	414	319	300	333	246	183
31	15707	3	12246	1	13736	9945	10294	10341	9717	8968	7894	25290
32	289	0	345	0	426	260	266	243	276	229	241	155
33	3134	0	2584	0	2782	1690	1802	1700	1683	1555	1424	966
	66,407	48,073	50,183	40,924	88,655	68,488	71,976	70,390	69,043	60,387	51,951	60,227
											<u>Total 2014</u>	<u>746,704</u>

	Jan-14	February	March	April	May	June	July	August	September	October	November	December
North Zones	43708	48070	32439	40923	68699	54161	57298	55731	55306	47641	40633	32607
Manana Zones	1888	0	1389	0	1567	1279	1241	1333	1168	1059	1014	659
Felton Zones	20811	3	16355	1	18389	12910	13437	13326	12569	11687	10304	26961

SAN LORENZO VALLEY WATER DISTRICT
Consumption by Zone

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Zones	Jan-13	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC
1	0	742	0	684	0	375	0	1315	0	1267	2	1204
2	0	174	0	199	0	164	0	631	0	519	0	458
3	0	436	0	399	0	237	0	814	0	850	5	676
4	1	14856	0	13189	16	7035	5	25687	18	20923	8	15756
5	0	2782	0	2430	3	1405	1	4676	5	3612	0	2820
6	0	100	0	90	0	51	0	157	0	104	0	82
7	0	118	0	147	0	68	0	333	0	297	0	266
8	52	9308	19	9210	60	4849	52	15349	107	12132	123	9060
9	0	622	0	701	0	293	0	1671	0	1289	0	907
10	0	231	0	66	0	75	0	278	0	188	0	152
11	0	1144	2	1180	9	528	0	2131	0	2353	6	1613
12	0	18	0	20	0	15	0	47	0	42	0	39
13	0	694	0	668	14	390	0	1420	2	1117	0	828
14	0	1024	0	981	0	538	0	2144	0	1648	5	1251
15	0	13	0	33	0	18	0	74	0	54	0	37
16	12023	9045	12059	9786	16486	10971	25131	16108	27729	13526	20690	7555
17	0	592	0	569	0	281	0	891	2	707	10	674
18	8	1752	0	1457	0	717	1	2386	0	2001	1	1907
19	2	608	0	538	1	261	5	869	1	842	0	796
20	1203	12	1359	9	2262	732	3325	44	2985	12	2900	11
21	5759	0	5447	3	8307	3259	12741	7	12050	2	9618	0
22	12014	0	12416	0	20676	7006	28212	29	26767	24	23624	0
23	1340	0	1567	0	2932	979	4511	30	4056	9	3360	0
24	26	1408	26	1284	55	715	36	2521	40	2062	29	1902
25	1053	0	1118	0	1773	701	3000	0	2760	0	2136	0
26	302	0	332	0	855	177	937	0	725	0	561	0
27	55	0	65	0	80	15	136	0	121	0	105	0
28	675	0	632	0	970	259	1308	0	935	0	827	0
29	185	0	177	0	436	154	699	0	637	0	464	0
30	514	0	580	0	691	231	991	8	1000	0	765	0
31	13634	0	13424	0	20483	7018	27588	10	25615	12	19096	0
32	239	0	258	0	321	212	307	0	293	0	324	0
33	2978	0	2663	1	3984	1350	4604	-54	4080	58	3777	0
Total	52063	45679	52144	43644	80414	51079	113590	79576	109928	65650	88436	47994
											Total 2013	830197

Zone	Jan-13	February	March	April	May	June	July	August	September	October	November	December
North Zones	32428	45679	32895	43643	50821	66024	74020	79612	73762	65580	60381	47994
Manana Zones	1410	0	1515	0	2708	0	4073	0	3606	0	2802	0
Fellon Zones	18225	0	17734	1	26885	14	35497	-36	32560	70	25253	0

San Lorenzo Valley Water District
Emergency Interties 2, 3, & 4
Construction Project Status
November 2015

Notice To Proceed	1/15/15	Contract Value	\$5,733,682.50
Total Contract Duration (Calendar Days)	365	Contract Value Added	\$158,218.86
Time Extensions (Calendar Days)	17	Contract Value Subtracted	(\$200,206.55)
Revised Total Contract Duration (Calendar Days)	382	Contract Value Net Change	(\$41,987.69)
Contract End Date	02/01/16	Revised Contract Value	\$5,691,744.56
Contract Days Elapsed (through meeting date)	327	No. of Change Orders Issued & Approved	15
Contract Days Remaining	55	Pending Change Order#	1

Approved Change Orders

	Description	Increase	Decrease
1	Revisions to contract, order of precedence	0	
2	SCADA Installation Interties ¾	118,286.00	
3	Intertie ¾ Electrical Services	0	
4	Progress payment retention	0	
5	Utility Crossing Station 109+80, 116+75, and 118+40 install pipe above instead of below -	10,005.00	10,005.00
6	Pump station 2/3 add membrane waterproofing to outside face stem wall of the interior.	2,479.40	
7	Pump Station 2, provide pressure gages, remove SCADA control		182,995.00
8	Generator receptacle Intertie No 3/4		2,426.00
9	Relocation of lighting panelboard, additional wiring gutter, and wall mount transformer Pump Station 2	2,788.75	
10	Shallow trench storm drain Lockwood Lane, exploratory potholing and temporary kicker	10,126.20	
11	Install electrical disconnect Pump Station 2	3,049.80	
12	Additional tee and valve at Probation Tank	4,341.17	
13	Seal perimeter of steel plates welded to Conference Drive Bridge. Increase two working days.	7,192.29	
14	Delete CMU block filler and paint		4,780.55
15	Time extension four working days. Roaring Camp Thomas the Train, and water service install	-0-	-0-

CONSTRUCTION UPDATE:

On November 6, 2014 the Board of Directors awarded construction of Interties 2, 3, & 4 to Monterey Peninsula Engineering totaling \$5,733,682.50. During the reporting period the Biologist continued performing Worker Environmental Awareness monitoring. The contractor continued with construction of Interties 2 and 3/4 pump stations. Pipeline construction is 100% completed and water has moved through the pipeline from South to North as part of the project.

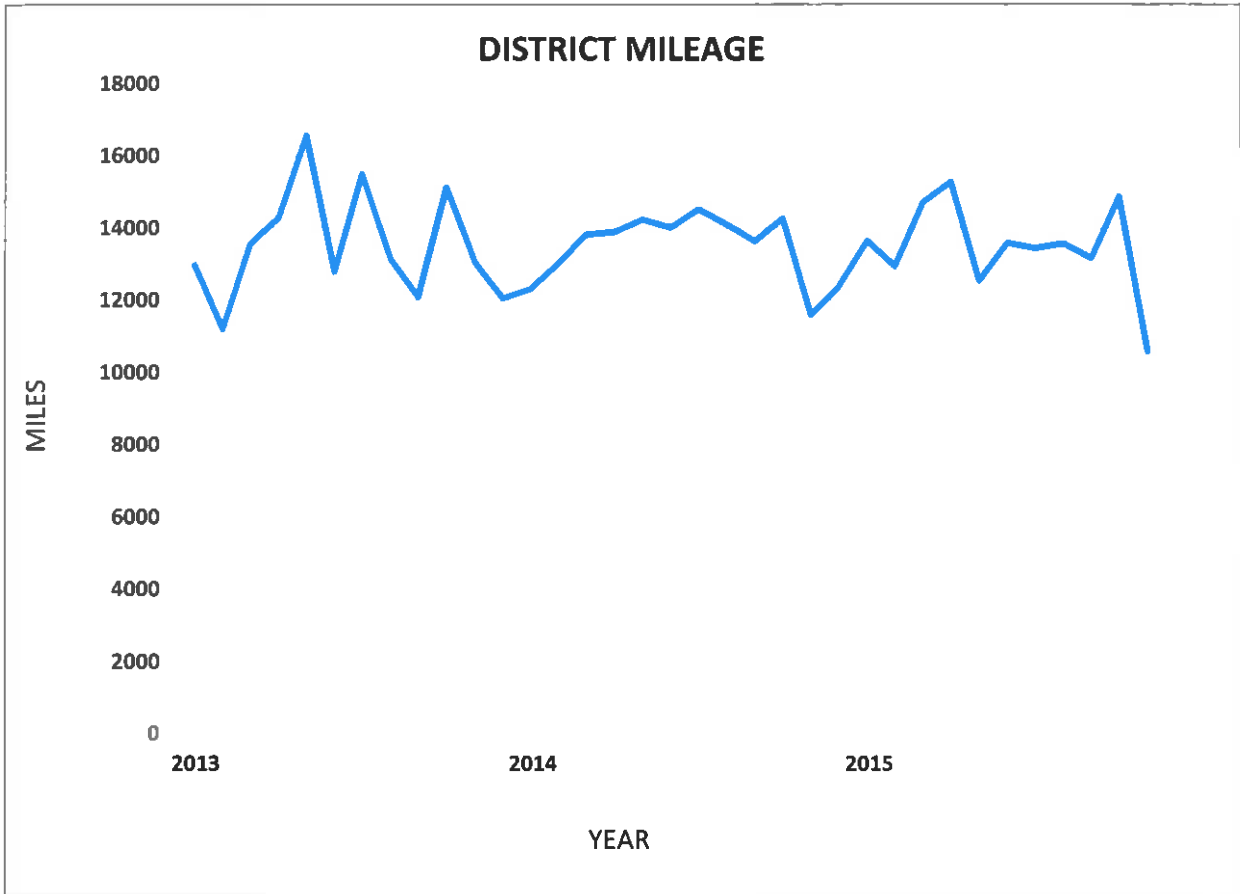
The project has a completion date of February 01, 2015 and is approximately 93% completed.

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SAN LORENZO VALLEY WATER DISTRICT

VEHICLE MILEAGE

NOVEMBER 2015

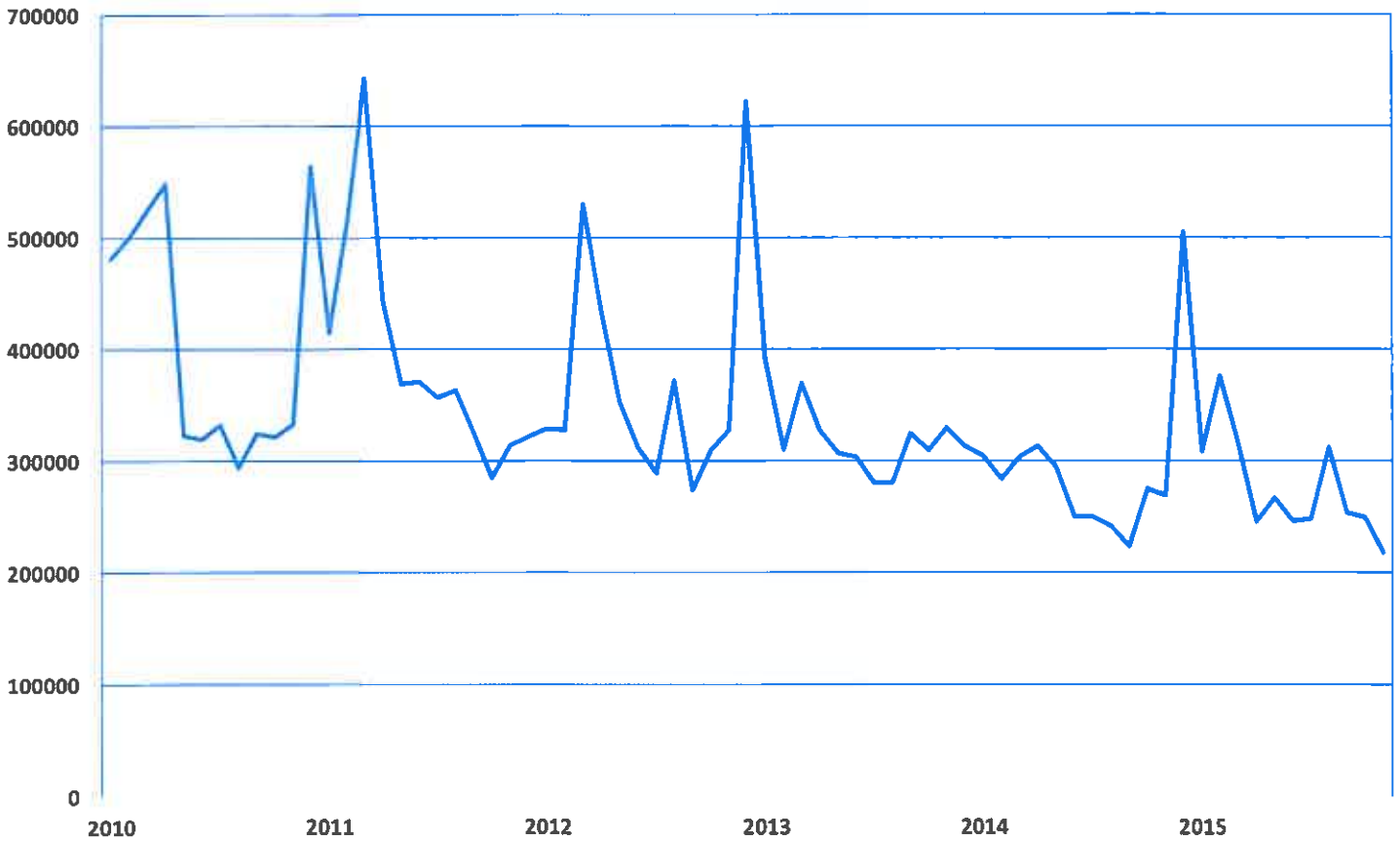


Month	2013	2014	2015
January	12,976	12,317	13,633
February	11,201	13,015	12,934
March	13,558	13,817	14,714
April	14,283	13,883	15,279
May	16,560	14,228	12,550
June	12,780	14,000	13,582
July	15,497	14,519	13,441
August	13,136	14,096	13,569
September	12,087	13,622	13,137
October	15,120	14,261	14,868
November	13,046	11,594	10,591
December	12,060	12,394	
Totals	162,304	161,746	148,298

**SAN LORENZO VALLEY WATER DISTRICT
BEAR CREEK ESTATES WASTEWATER
NOVEMBER 2015**

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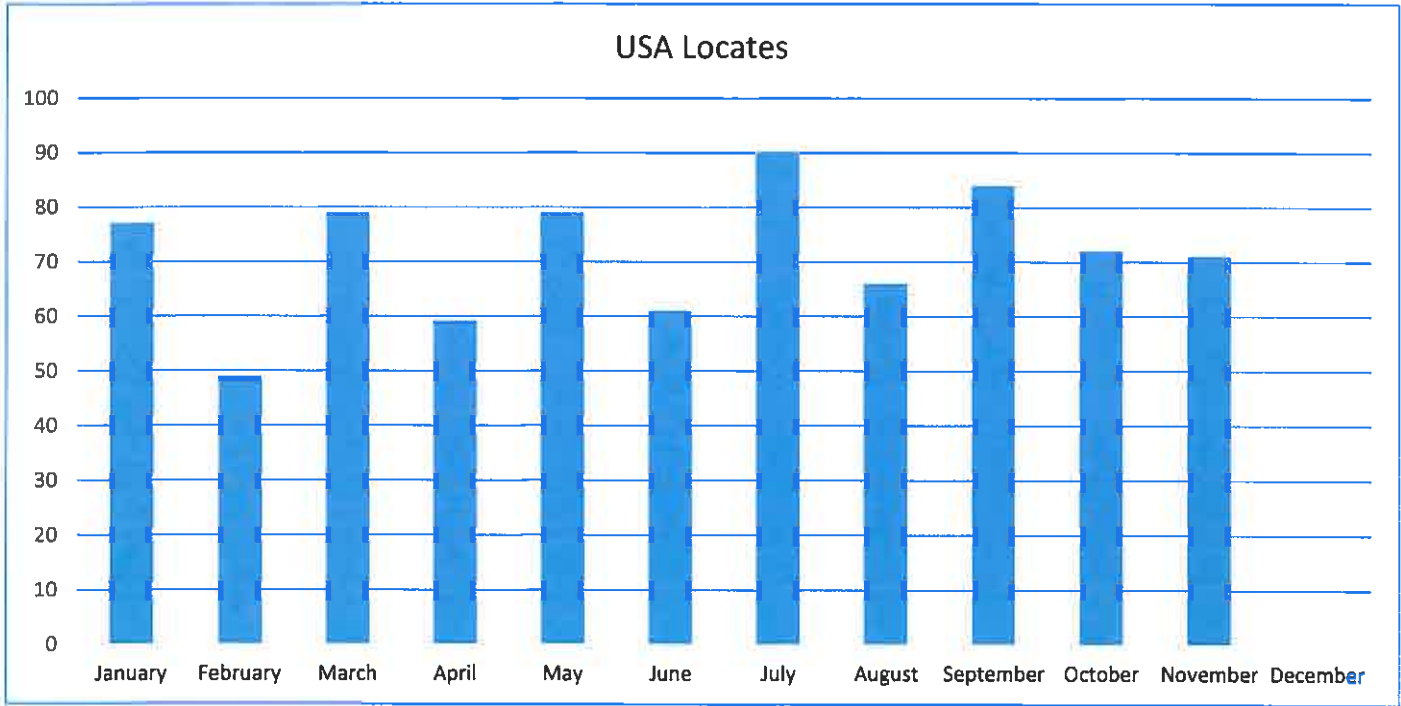
Bear Creek Effluent Flow



Month/Year	2010	2011	2012	2013	2014	2015
January	481,500	414,900	328,500	391,200	304,700	308,500
February	500,000	513,700	327,600	310,100	283,800	376,100
March	524,500	642,800	529,700	369,500	303,800	316,100
April	548,400	443,400	435,300	326,800	313,200	245,500
May	322,900	369,200	353,200	306,900	294,400	266,700
June	319,300	370,800	311,900	303,300	250,000	246,200
July	332,100	356,800	288,900	297,800	250,000	248,200
August	293,700	363,400	371,800	280,400	241,500	311,900
September	324,600	324,400	273,600	324,600	223,300	253,500
October	321,400	284,700	309,400	304,900	274,900	249,300
November	332,900	314,100	327,700	329,600	268,900	218,100
December	564,200	321,500	622,500	312,900	505,100	
Totals	4,865,500	4,719,700	4,480,100	3,858,000	3,513,600	3,040,100

**SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
NOVEMBER 2015**

Agenda: 12.17.15
Item: 11a1iii



<u>Month</u>	<u>Number of Locates</u>
January	77
February	49
March	79
April	59
May	79
June	61
July	90
August	66
September	84
October	72
November	71
December	
Total to Date	787

USA North provides a free and effective Damage Prevention Service that protects our citizens, our communities, our environment, our essential public services, and our underground facilities in Central / Northern California and all of Nevada. USA North began operation in May of 1975 and incorporated as a Non Profit Mutual Benefit Corporation in 1986. Our purpose is to receive planned excavation reports that will begin within the next 14 calendar days from homeowners, excavators, or professional contractors and transmit those planned excavation reports to all participating members of USA North who may have facilities at that excavation site.

Our members will

- 1) mark or stake the horizontal path of their facility,
- 2) provide information about the location of their facility, or
- 3) advise the caller of clearance, for facilities that



**Know what's below.
Call before you dig.**