



## NOTICE OF BUDGET & FINANCE COMMITTEE MEETING MAY 8, 2024

**NOTICE IS HEREBY GIVEN** that the San Lorenzo Valley Water District has called a meeting of the Budget & Finance Committee to be held on **Wednesday, May 8, 2024, 2:00 p.m.**, SLVWD Conference Room, 12788 Highway 9, Boulder Creek, and via video/teleconference.

Any person in need of any reasonable modification or accommodation in order to participate in the meeting may contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting.

This meeting is being conducted as an in-person meeting under the Brown Act, Government Code section 54953, and a quorum of the Committee must participate from the location(s) within the District that are identified above. Members of the public may attend the meeting at the identified location(s). Teleconferencing/videoconferencing access as set forth below is being provided as a convenience only and is not guaranteed. The meeting may continue in person even if teleconferencing/videoconferencing capability is disrupted or unavailable.

**The meeting access information is as follows:**

<https://us02web.zoom.us/j/83880404595?pwd=Vmw0MG85bDBNWE5HTWRzSldlNzdlPQT09>

Passcode: 660156

Or One tap mobile :

+16699006833,,83880404595#,,,,\*660156# US (San Jose)

+16694449171,,83880404595#,,,,\*660156# US

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 669 900 6833 US (San Jose)

+1 669 444 9171 US

### AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications

*This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications. Any Director may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.*

3. New Business:

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

- a. MARCH FINANCIAL REPORT REVIEW  
Discussion regarding the March 2024 financial report information.
- b. METER REVIEW CHARGES  
Review and discuss possible charges for Meter Reviews.

4. Unfinished Business: None

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

5. Informational Material

Here is a link to previous B & F Committee meeting minutes:

[All Finance Meeting Minutes | San Lorenzo Valley Water District \(slvwd.com\)](https://www.slvwd.com/All-Finance-Meeting-Minutes-San-Lorenzo-Valley-Water-District)

6. Adjournment

***Agenda documents, including materials related to an item on this agenda submitted to the Committee 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 may also be available on the District website at [www.slvwd.com](http://www.slvwd.com) subject to staff's ability to post the documents before the meeting.***

**Certification of Posting**

I hereby certify that on May 3, 2024, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, and the Board Conference Room, 12788 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the special meeting of the Budget & Finance Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.  
Executed at Boulder Creek, California, on May 3, 2024.

\_\_\_\_\_  
Jennifer Torres, District Secretary

## MEMO

**DATE:** May 8, 2024  
**TO:** Board of Directors, San Lorenzo Valley Water District  
**FROM:** Brian Frus, Interim General Manager  
**SUBJECT:** Monthly Finance Report - March 2024

**WRITTEN BY:** Heather Ippoliti, Consultant (RGS)  
**PRESENTED BY:** Heather Ippoliti, Consultant (RGS)

### STAFF RECOMMENDATION

It is recommended that the Budget & Finance Committee review and file the Monthly Finance Report for March 2024.

### RECOMMENDED MOTION

None

### BACKGROUND

This report contains financial information as of and for the nine-month period ending March 31, 2024. Some highlights include:

- The cash balance totals \$16,008,202 of which 52% is restricted.
- With 75% of the fiscal year elapsed, the District has received 72% of the budgeted revenue (3% greater than last fiscal year) and spent 76% of the budgeted non-capital expense (13% greater than last fiscal year).
- The District has spent \$11.8 million of the \$27.1 million capital budget - funded with debt proceeds, fire surcharge funds, grants, and reserves.
- During the current fiscal year, the District has received \$742,308 in fire surcharge revenue, and has spent \$39,247 in CZU Fire related expenses.

The amount reserved for CZU Fire related expenses as of March 31, 2024, is \$666,104.

- As of March 31, 2024, the unspent debt proceeds totaled \$7,187,862.

Utility Billing - Past Due Balances. The District uses the County tax roll as the District's primary collection method for past due balances. The District reviews balances greater than \$500 as of December 31. Starting in April, the customers receive two letters 30 days apart, encouraging payment, before the listing is presented to the Board in July for approval. Upon approval by the Board, the listing will be provided to the County in August.

#### **PRIOR COMMITTEE ACTION**

None

#### **FISCAL IMPACT**

The report is informational only and has no fiscal implications.

#### **ENVIRONMENTAL IMPACT**

Pursuant to Title 14, the California Code of Regulations, Section 15302(c) of the California Environmental Quality Act ("CEQA") guidelines, the proposed action is an administrative activity of the District that will not result in direct or indirect physical changes to the environment.

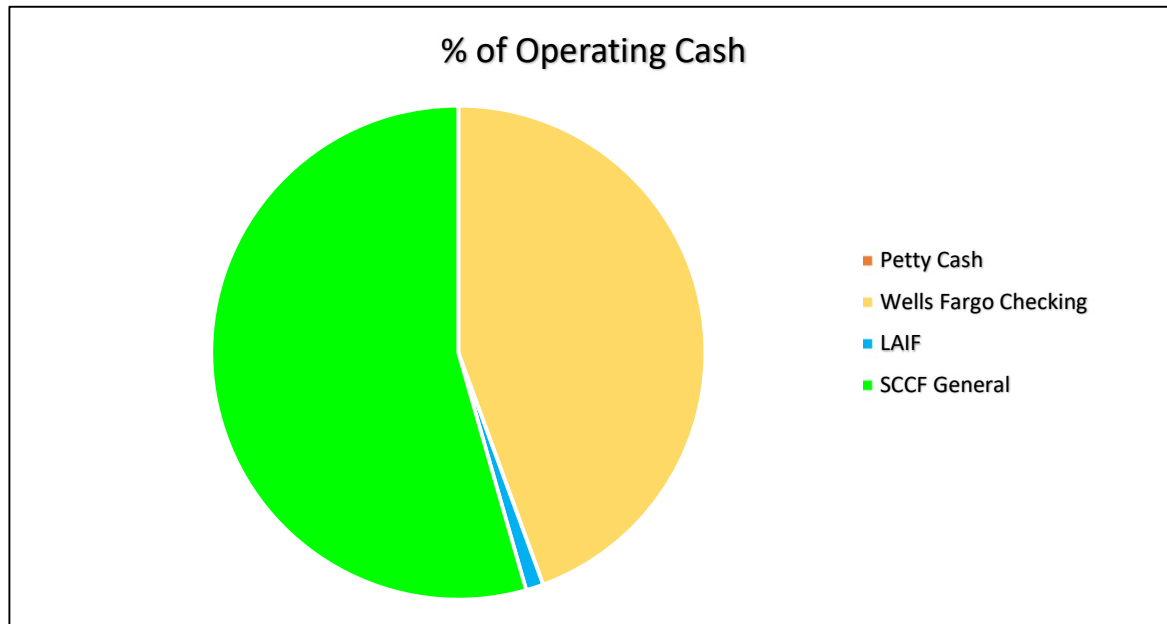
#### **ATTACHMENTS**

1. Cash Balance Report
2. Statements of Revenue & Expenses - Budget to Actual
3. Capital Expenses by Funding Source
4. Fire Surcharge
5. Unspent Bond Proceeds

**Cash Balances as of 3/31/2024**

		<b>Ave Interest Rate</b>	<b>Maturity Date</b>
<b>Operating Accounts</b>			
Petty Cash	\$ 315	N/A	N/A
Wells Fargo Checking	3,399,756	0.25%	N/A
LAIF	87,938	4.01%	N/A
SCCF General	4,166,557	3.91%	N/A
<b>Total Operating Cash</b>	<b>\$ 7,654,567</b>		
<b>Restricted Accounts</b>			
SCCF Lompico Assessment District	\$ 100,446		<i>For AD Projects</i>
SCCF Olympia Assessment District	54,280		<i>For Debt Repayment</i>
WF \$15M CoBank Loan Proceeds*	2,474,151	4.50%	<i>Loan Proceeds</i>
WF \$14.5M COP Proceeds*	4,713,712	4.50%	<i>Loan Proceeds</i>
Watershed Endowment	43,803	N/A	<i>Watershed maintenance</i>
CB&T Escrow Fund SRF	115,509	0.13%	<i>For Debt Repayment</i>
CB&T Escrow Fund DOWR	185,631	0.13%	<i>For Debt Repayment</i>
Fire Recovery Surcharge	666,104	0.25%	<i>For CZU Fire Related Expenses</i>
<b>Total Restricted Cash</b>	<b>\$ 8,353,635</b>		
<b>Total Cash</b>	<b>\$ 16,008,202</b>		

\* Includes outstanding transfers



**SAN LORENZO VALLEY WATER DISTRICT  
STATEMENTS OF REVENUES & EXPENSES  
FOR THE NINE MONTH PERIODS ENDED MARCH 31, 2024 AND 2023**

	23-24 Budget	Period ended 3/31/24 Actual	Period ended 3/31/23 Actual	% of budget spent/ rcvd	% change from prior year
<b>Revenue</b>					
Operating Revenue					
Water Usage Fees	7,722,600.00	\$ 5,463,502	\$ 5,114,191	71%	7%
Basic Charge	3,552,000	2,651,752	2,660,389	75%	0%
Sewer Charges	173,021	129,762	129,765	75%	0%
Sale of Meters	60,000	-	-	0%	0%
Fire Recovery Surcharge	1,000,000	742,308	741,932	74%	0%
Operating Contribution - Grant	5,000	-	202,227	0%	-100%
Miscellaneous Fees & Charges	90,000	80,150	182,268	89%	-56%
Non-Operating Revenue					
Property Taxes	1,007,340	519,638	496,815	52%	5%
Interest - Investments	370,682	558,884	296,362	151%	89%
Assessment Rev - Lompico	294,000	147,192	146,756	50%	0%
Assessment Rev - Oly Mutual	49,500	24,217	24,740	49%	-2%
Mobile Services Lease Fees	37,200	26,821	24,522	72%	9%
Rental Income	20,766	15,732	12,538	76%	25%
Contra Rev - Rate Assistance Program	(20,000)	(11,445)	(12,120)	57%	-6%
	<u>14,362,109</u>	<u>10,348,513</u>	<u>10,020,385</u>	<u>72%</u>	<u>3%</u>
<b>Expense</b>					
Operating Expense					
Salaries & Benefits	6,410,003	4,554,215	3,937,596	71%	16%
Contract/ Professional Services	1,237,813	1,070,717	722,634	87%	48%
Operating Expenses	464,400	355,378	408,473	77%	-13%
Maintenance	239,600	199,998	162,184	83%	23%
Facilities	693,625	484,063	442,285	70%	9%
General & Administration	515,210	453,460	411,998	88%	10%
Non-Operating Expenses					
Investment In SMGWA JPA	164,681	164,681	151,044	100%	9%
Debt - Principal	1,250,616	1,124,188	1,091,304	90%	3%
Debt - Interest	933,189	638,428	667,006	68%	-4%
	<u>11,909,137</u>	<u>9,045,127</u>	<u>7,994,524</u>	<u>76%</u>	<u>13%</u>
<b>Capital</b>					
Grant/FEMA Funded	6,977,489	1,493,484	-	21%	0%
Capital Projects	(27,126,862)	(11,763,518)	(3,918,645)	43%	200%
	<u>(20,149,373)</u>	<u>(10,270,034)</u>	<u>(3,918,645)</u>	<u>49%</u>	<u>162%</u>
Change in Working Capital	<u>\$ (17,696,401)</u>	<u>\$ (8,966,648)</u>	<u>\$ (1,892,784)</u>		
Use of Bond Proceeds	(15,130,366)	(8,840,394)			
Use of Reserves	(2,566,035)	(126,254)			
	<u>(17,696,401)</u>	<u>(8,966,648)</u>			

**SAN LORENZO VALLEY WATER DISTRICT  
CAPITAL PROJECT EXPENSES  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2024**

<b>PROJECT</b>	<b>FY 23-24 Budget</b>	<b>FY 23-24 Expense thru 3/31/24</b>	<b>\$14.5M COP LOAN</b>	<b>\$15M COBANK LOAN</b>	<b>FIRE SURCHARGE 23-24</b>	<b>Grants &amp; Reserves</b>	<b>Total</b>	<b>funding source</b>
IRWIN BOOSTER - VALVE REBUILDS	-	30,506.11				30,506	30,506	reserves
KIRBY PUMP MOTOR	-	7,490.00				7,490	7,490	reserves
WO 272/549 - LYON WTR TREATM'T PLANT ACCESS RD SLIDE REPAIR	500,000	1,820.15				1,820	1,820	fema
WO 411 - FELTON METER CHANGE OUT PROJECT	-	32,159.47				32,159	32,159	reserves
WO 525 - LOMPICO SERVICE LINE REPLACEMENT	-	12,982.12				12,982	12,982	reserves
WO 844 - LOST ACRES WATER TANK PROJECT (FELTON HEIGHTS)	100,000	7,233.74				7,234	7,234	reserves
WO 845 - REDWOOD PARK TANK PIPELINE PROJECT	104,492	101,056.56	101,057				101,057	loan - 14.5
WO 901 - GENERAL METER CHANGE OUTS	-	61,178.01				61,178	61,178	reserves
WO 1234 - LYON PIPELINE PROJECT	4,005,000	604,668.81	604,669				604,669	loan - 14.5
WO 1447 - HABITAT CONSERVATION PLAN	-	3,207.51				3,208	3,208	reserves
WO 1519 - NEW METER SETS	-	12,928.61				12,929	12,929	reserves
WO 1738 - FALL CREEK FISH LADDER	500,000	292,968.30	292,968				292,968	loan - 14.5
WO 1738 - FALL CREEK FISH LADDER - SYBLON REID	1,800,000	1,632,413.23				1,632,413	1,632,413	grant
WO 1919 - CZU_BENNETT SPRING RAW WATER LINE	150,000	1,193.79		1,194			1,194	loan - 15
WO 1920 - CZU_SOUTH RESERVOIR DISTRIBUTION SYSTEM	-	674.87		675			675	loan - 15
WO 1921 - CZU_ALTA VIA RD 4" HDPE MAIN	2,100,000	1,220,829.88		1,220,830			1,220,830	loan - 15
WO 1923 - CZU_ECKLEY TANK ZONE	25,000	2,383.75		2,384			2,384	loan - 15
WO 1924 - CZU_BIG STEEL TANK PIPING	1,250,000	803,759.40		803,759			803,759	loan - 15
WO 1927 - CZU_FOREMAN CREEK INTAKE/RAW WATER	1,300,000	20,783.78			20,784		20,784	czu
WO 1953 - CZU_HARMON STREET 2"	580,000	5,935.99		5,936			5,936	loan - 15
WO 1960 - CZU_PEAVINE INTAKE & PIPELINE	750,000	3,512.91		3,513			3,513	loan - 15
WO 1964 - CZU_SERVICE METER REPLACEMENT - FY 23-24 only	20,000	18,463.71			18,464		18,464	czu
WO 2077 - CZU_5 MILE BOX & TURBIDITY STATION	150,000	44,075.07		44,075			44,075	loan - 15
WO 2180 - BLUE RIDGE TANK REPLACEMENT	976,516	506,224.31		506,224			506,224	loan - 15/grant
WO 2181 - ORMAN ROAD WATER MAIN REPLACEMENT	1,051,932	638,345.33		638,345			638,345	loan - 15
WO 2182 - HERMOSA OAK FERNWOOD WTR MAIN REPLACEM'T	568,377	832,075.97		832,076			832,076	loan - 15
WO 2183 - JUANITA WOODS WATER MAIN REPLACEMENT	721,000	1,054,122.65		1,054,123			1,054,123	loan - 15
WO 2184 - ZAYANTE DRIVE WATER MAIN REPLACEMENT	899,037	643,277.33		643,277			643,277	loan - 15
WO 2436 - CA-9 BRIDGES MAIN REPLACEMENT Brookdale	350,000	556.73				557	557	reserves
WO 2516 - BIG BASIN CONSOLIDATION	-	598.91				599	599	reserves
WO 2517 - BRACKEN BRAE/FOREST SPRINGS CONSOLIDATION	1,800,000	64,089.00				64,089	64,089	grant
WO 2909 - HUCKLEBERRY ISLAND 12IN RIVER CROSSING	750,000	4,230.80				4,231	4,231	fema
WO 2910 - BROOKSIDE MAIN BREAK - 2023 STORM	800,000	18,521.41				18,521	18,521	fema
WO 2911 - HWY 9 & PARK DR MAIN BREAK	-	156.30				156	156	fema
WO 2927 - MADRONE BOOSTER FLOODING	140,000	524.12				524	524	fema
WO 2944 - LYON ACCESS ROAD SLIDE	300,000	5,296.47				5,296	5,296	fema
WO 2946 - BEAR CREEK ESTATES BOOSTER	-	4,489.79				4,490	4,490	fema
WO 2948 - BULL CREEK RAW WATER SUPPLY	150,000	10,331.52				10,332	10,332	fema
WO 3016 - QUAIL HOLLOW RD STORM DAMAGE	1,000,000	737,449.37				737,449	737,449	fema
WO 3041 - NINA GENERATOR REPLACEMENT	-	877.20				877	877	fema
WO 3068 - BIG STEEL ZONE PIPING	1,345,000	2,085,289.23		2,085,289		-	2,085,289	loan - 15

**SAN LORENZO VALLEY WATER DISTRICT  
CAPITAL PROJECT EXPENSES  
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2024**

<b>PROJECT</b>	<b>FY 23-24 Budget</b>	<b>FY 23-24 Expense thru 3/31/24</b>	<b>\$14.5M COP LOAN</b>	<b>\$15M COBANK LOAN</b>	<b>FIRE SURCHARGE 23-24</b>	<b>Grants &amp; Reserves</b>	<b>Total</b>	<b>funding source</b>
WO 3077 - BEAR CREEK GENERATOR TRANSFER SWITCH	-	9,967.61				9,968	9,968	fema
WO 3192 - METER GRANT CHANGE OUT PROJECT (AMI)	200,000	217,914.24				217,914	217,914	grant
WO 3358 - FIRE HARDENING - PUMP STATIONS	600,000	6,200.41				6,200	6,200	reserves/grant
WO 3369 - CAL OES HAZARD MITIGATION GRANT	-	347.15				347	347	reserves
WO 3380 - BLAIR TANK COATING	325,000	-				-	-	reserves
WO 3381 - BROOKDALE TANK COATING	300,000	-				-	-	reserves
WO 3382 - SOUTH ZONE DISTRIBUTION PIPING	-	336.83				337	337	reserves/grant
WO 3384 - REDWOOD PARK TANK PROJECT	995,508	-				-	-	loan - 14.5/grant
WO 3385 - ECHO TANK	-	69.43				69	69	reserves/grant
CAL TRANS HOLD	400,000	-				-	-	reserves
STUDIES	100,000	-				-	-	reserves
EQUIPMENT	20,000	-				-	-	reserves
	<b>27,126,862</b>	<b>11,763,517.88</b>	<b>998,694</b>	<b>7,841,700</b>	<b>39,247</b>	<b>2,883,876</b>	<b>11,763,518</b>	



**SAN LORENZO VALLEY WATER DISTRICT  
FIRE SURCHARGE**

Income FY 21-22	\$ 904,312.91
Expenses FY 21-22	<u>(1,854,992.12)</u>
	(950,679.21)
Income FY 22-23	989,248.53
Expenses FY 22-23	<u>(75,525.26)</u>
	(36,955.94)
Income FY 23-24 thru 3/31/24	742,307.89
Expenses FY 23-24 thru 3/31/24	<u>(39,247.49)</u>
As of 3/31/24	<u>\$ 666,104.46</u>
Estimated revenue FY 23-24 to close	\$ 257,692.11
Estimated revenue FY 24-25	1,000,000.00
Estimated revenue FY 25-26	1,000,000.00
Estimated revenue FY 26-27	<u>106,438.56</u>
	<u>\$ 2,364,130.67</u>
Total revenue allowed	<u>\$ 5,000,000.00</u>

**SAN LORENZO VALLEY WATER DISTRICT  
UNSPENT BOND PROCEEDS**

	<b>2020 Rev COPS (2019 14.5m)</b>	<b>2021 Inst Pur Agr (CoBank 15.0m)</b>
	14,912,354.00	15,000,000.00
issuance costs	(412,354.00)	(48,000.00)
construction 6/30/19	-	-
construction 6/30/20	(1,103,569.38)	-
construction 6/30/21	(3,554,861.02)	(1,670,838.09)
construction 6/30/22	(1,175,708.89)	(664,693.93)
construction 6/30/23	(2,953,455.44)	(2,300,616.69)
construction 6/30/24 thru 3/31	(998,693.67)	(7,841,700.48)
<b>unspent as of 3/31/24</b>	<b>4,713,711.60</b>	<b>2,474,150.81</b>

## MEMO

**DATE:** May 8, 2024  
**TO:** Budget and Finance Committee, San Lorenzo Valley Water District  
**FROM:** Brian Frus, Interim General Manager  
**SUBJECT:** Meter Review Fee

**WRITTEN BY:** Heather Ippoliti, Consultant (RGS)  
**PRESENTED BY:** Heather Ippoliti, Consultant (RGS)

### STAFF RECOMMENDATION

That the Budget and Finance Committee receive the report and recommend to the Board of Directors to approve the proposed new meter review fee.

### RECOMMENDED MOTION

The Budget and Finance Committee recommends to the Board of Directors to approve the new meter review fee as proposed in the staff memo.

### BACKGROUND

The District currently provides meter review services, including Will Serve Letters, to all applicants at no cost to the applicant. Only a fraction of these meter applications make it to installation, where the District recovers some of its costs. In a year's time, the District performs about 60 meter reviews.

A meter review can range from under 30 minutes, when the District clearly cannot provide service to the home, to over 12 hours when the review includes drafting agreements, coordination of service orders, drawing up a

map of possible connection routes, and walking the customer through our requirements, among other tasks. Based on the average amount of time to complete a review, Staff is proposing to use two hours as the basis for the calculation of a fixed fee.

Based on the following calculations, Staff is proposing to charge \$300 for a meter review:

hrs		
1.75	Assistant Engineer	\$ 205.24
0.25	Engineering Manager	<u>47.30</u>
	Total Direct Labor	252.54
	Engineering Overhead - 32.5%	<u>82.08</u>
	Total Cost	\$ 334.62
	Proposed Fee	<u>\$ 300.00</u>

Another way to calculate the fee would be to use actual staff hours over a period of time. Staff have tracked the engineering labor hours to complete 59 meter reviews over the last year.

Total Labor Cost	\$ 13,711.00
Number of parcels	59
Average cost per parcel	\$ 232.39
Plus Engineering Overhead - 32.5%	<u>75.53</u>
Cost per parcel with Overhead	\$ 307.92

The proposed fee of \$300 is in line with both methods of calculation.

#### **PRIOR COMMITTEE ACTION**

None

#### **FISCAL IMPACT**

It is estimated that the approval of this fee will increase revenue by \$18,000 annually (60 x \$300).

### **ENVIRONMENTAL IMPACT**

Pursuant to Title 14, the California Code of Regulations, Section 15302(c) of the California Environmental Quality Act (“CEQA”) guidelines, the proposed action is an administrative activity of the District that will not result in direct or indirect physical changes to the environment.

### **ATTACHMENTS**

None