



NOTICE OF BUDGET & FINANCE COMMITTEE MEETING

Responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

NOTICE IS HEREBY GIVEN that the San Lorenzo Valley Water District has called a meeting of the Budget & Finance Committee to be held on **Tuesday, December 1, 2020 9:00 am**, via video/tele conference.

<https://global.gotomeeting.com/join/700605037>

You can also dial in using your phone.
(For supported devices, tap a one-touch number below to join instantly.)

United States (Toll Free): 1 877 309 2073
- One-touch: tel:+18773092073,,700605037#

United States: +1 (571) 317-3129
- One-touch: tel:+15713173129,,700605037#

Access Code: 700-605-037

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. Old 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 agenda items.

- A. PAST DUE POLICY UPDATE
Discussion and possible action by the Committee regarding the Past Due Policy Update.
 - B. UPDATE ON THE ROAD MAP
Discussion and possible action by the Committee regarding changes to the B & F road map.
 - C. LOAN UPDATE
Discussion and possible action by the Committee regarding the Loan Update.
4. New 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: None.
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 subject to staff's ability to post the documents before the meeting.

Certification of Posting

I hereby certify that on November 25, 2020 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 regular 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 November 25, 2020

Holly B. Hossack, District Secretary

M E M O

TO: Budget & Finance Committee

FROM: Director of Finance & Business Services

SUBJECT: Past Due Policy

DATE: December 1, 2020

RECOMMENDATION:

It is recommended the Committee receive the information and make a recommendation to move the item to the Board.

BACKGROUND:

The District paused the past due policy due to the pandemic. Additionally, the State issued an executive order preventing turn off of water service due to non-payment. The order does not prevent charging late fees, nor other collection routes such as a collection agency or placing items on the property tax roll.

Steps Taken or Continued:

- In October, the \$10 late fee was re-established, with any late fees being applied on the November bills.
- Owner accounts that are significantly past due are continuing to have liens placed on the properties.
- Owners are still ultimately responsible for a tenants bill. Direct communication reiterating this fact has been sent to owners.
 - Tenant accounts that leave with a balance are transferred to the owner's account.
 - We have had successful recovery of these charges, with minimal conflict.
- Owners that sell the property and still have a balance (without a lien) are sent to collections.

Steps Needed:

- Property Tax Roll:
 - It is recommended the District utilize the property tax roll to clear up long term accounts that do not make payments.
 - This is a process that would be done once a year, by sending the proper documentation to the County by 8/10 of each year.
 - The County charges a 1% administrative fee.
 - Attached is the 2020-21 Special Assessment Guidelines

- It is recommended the District hire NBS to perform the necessary procedures. This will require initial mailings to the parcels, verifying APN and coordinating the data collection and submittal to the County. It will also provide customer support for interested parties, including bilingual staff for Spanish speaking customers. Attached is a quote from May 2020 for approximately \$1,500.

On-going Issues:

- Until the State's executive order is lifted, the District will continue to experience difficulty in collecting on past due accounts. The full past due process of a late fee, physical tag penalty, and turn off of water are the main mechanisms for collection or at least payment plans.
- Some of the long term past due accounts will not qualify for the property tax method. And while a line will help, there is potential for long term loss and a continued burden on staff to monitor.
 - The District should consider a policy regarding long-term, no use, delinquent accounts, in particular the ones on vacant parcels, and consider methods to remove them from our system.

Statistical Information:

- Attached is statistical information on the current Past Due Analysis. The bills sent in October were the first ones notifying customers of the late fees being re-established. This shows how many received notices, how many late fees were applied, and the aging balances by the systems main buckets.
- A comparison to October of the prior year is also provided. This was prior to the late fee being established, which is why it does not have all the same statistics.
 - It is important to look at the growth in past dues for the further out buckets. This is likely due to customers not being able to pay due to the pandemic, but also from there being no penalties.
- We will continue to provide this monthly in the Finance Status Report, including a simpler monthly trend so we can monitor how it progresses.



COUNTY OF SANTA CRUZ

EDITH DRISCOLL
AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073
(831) 454-2500 FAX (831) 454-2660

Laura Bowers, Chief Deputy Auditor-Controller

Date: June 12, 2020

To: Special Districts

Re: Special Assessment Charge Submission Guidelines for the **2020/21** Tax Year

If your district is planning to submit parcel-based charges on the property tax roll, please review the attached information and instruction documents.

General Information

If a district has a legal assessment to collect, it may elect to request the Auditor-Controller to place the assessment on the county tax rolls for collection. By doing so, the district agrees to the Auditor-Controller's submission requirements and holds the County harmless. The district must complete and submit the Agreement and Certification for Special Assessment Charges form per California Constitution Article XIIC and Article XIID. **See Attachment 1. If this form is not submitted, we will be unable to process your charges and the district will be left with the responsibility of collecting the charge.**

The district must also provide information that the assessment is authorized to exist for the applicable tax roll year; that it is authorized to be collected on the tax roll; and, the Auditor-Controller has been directed to place the assessment on the tax roll (i.e. statutory authority, district board resolution, ordinance, certified election results). **This document must be part of your submission each year and dated prior to August 10, 2020.**

The district must determine the validity and accuracy of the assessment charges regarding the Assessor's Parcel Numbers (APN) and the amounts. The County is not responsible for the validity or the computation of the special assessment charges. If the district needs to bill a parcel that does not have a valid and billable APN for the applicable roll year, it is the district's responsibility to bill and collect from the party liable.

Districts commonly use the Assessor's use code and unit count to assist in calculating the amount due for each parcel. The Assessor maintains the database of all property and the characteristics of the property. Any questions regarding a property should be directed to the Assessor's office.

The Local Agency Formation Commission (LAFCO) is responsible for maintaining the boundaries of all districts. LAFCO files district boundary changes with the State Board of Equalization (SBE) who maintains the Tax Rate Area (TRA) information for all property located in Santa Cruz County. The SBE transmits information containing the districts responsible for servicing the property within a TRA annually to the Assessor and the Auditor. The Assessor's office can provide districts with the parcels located in a TRA. If there appears to be errors in the TRA information, please contact our office immediately.

Submission of Charges and Required Documents

DEADLINE: The legal deadline to submit all necessary special assessment information to the Auditor-Controller's office is **August 10 of each year**. Early submission is encouraged to provide adequate processing time.

The district must provide to our office contact information to provide to taxpayers if they have questions pertaining to the special assessment. If you have not submitted the profile sheet with updates, we will use the most updated information in our system. ***See Attachment 2 (The Special Assessment Profile only needs to be filed by new districts if you have completed one in the past no need to submit again.)***

An updated submission of special assessment charges is required each year. Data from the previous year's submission is not saved. Each submission must be accompanied by a Charge Control Sheet with the assessment name, number, parcel count and total dollar amount of charges. ***See Attachment 3.***

FORMAT: All districts with charges for over 25 parcels must submit the charges to our office in a data file with a specific format. The data file can be submitted via email along with the Charge Control Sheet with the assessment name, number, parcel count and total dollar amount of the charges. ***See Attachment 4.***

All charges must be divisible by two, as the tax bill is paid in two installments.

APNs with value less than \$2,000 (before any exemptions) are considered "low value parcels" and will not be sent a tax bill; do not include those parcels in the district's submission.

Public agency-owned APNs will not be sent a tax bill; do not include those parcels in the district's submission. If the district needs to place a charge on a publicly-owned property, it will need to do so via its own billing.

After submission, the Auditor-Controller's office uploads the charges into the property tax system. Records with errors are rejected by the system. Records are validated by the following criteria:

- Unreadable records
- Invalid APNs
- Low value APNs

We will notify the district contact person of any problems that occur during the processing of the submitted data. Also, the total dollar amount of the submission will be verified with the total dollar amount uploaded to the property tax system.

Corrections after Extension of Tax Bills

To make additions, deletions, or corrections to a special assessment the district should complete and submit a signed Special Assessment Correction form. Request for current year changes will be accepted through March 15. **Because this will require mailing a new tax bill, there is a \$15.00 fee per parcel for each correction. See Attachment 5.**

Some agencies adopt resolutions declaring the cost of abatement of public nuisances or code compliance enforcement will be collected on the tax rolls. The liens associated with these charges are recorded by the agencies throughout the tax year but held until August to be submitted to the Auditor-Controller in one file if the lien has not been satisfied by that time. If a new tax bill is mailed to add these charges to a parcel during a tax year, there will be a \$15.00 fee charged to the agency for each parcel. If a new tax bill is mailed because the agency accepted a payment directly, or submitted the charge in error, there will be a \$15.00 fee charged to the agency to remove the charge from the tax bill.

CANCELLATIONS OF TAX BILL: The County may cancel a tax bill and not notify the district under the following conditions:

- The ad valorem taxes due are less than \$20.00 (pursuant to Revenue and Taxation Code Sec 2611.4.).
- The Assessor indicates that the APN should not have been on the roll.
- A public agency acquires a property (unless it is a 1915 Act Bond or Mello-Roos special tax).

If a public agency acquires property, the Auditor must cancel both ad valorem taxes and any unpaid special assessment charges based on the number of days of public ownership.

Collections and Apportionments

The Auditor's office extends the tax roll (calculates the tax bills) and charges the Tax Collector with collection by the 4th Monday in September. The Tax Collector then arranges for printing and mails the tax bills by November 1. The tax bill is due in two installments. The first installment is due November 1 and delinquent December 10. The second installment is due February 1 and delinquent April 10. Any tax bills unpaid as of June 30 are moved to the defaulted (or redemption) roll.

Santa Cruz County follows the Teeter method of apportionment. Most special assessments are on this plan. This means that the amount we charge the Tax Collector for collections is used in determining the amount of distribution that the district will receive. There are three apportionment periods in this method.

- In December, 50% of the charge amount is apportioned.
- In April, 45% of the charge amount is apportioned.
- In June, 5% of the charge amount, plus or minus any roll corrections processed during the year, is apportioned.

Some special assessments are not on the Teeter plan. If your district is not on the Teeter plan, only the assessments that have been paid to the Tax Collector will be distributed to you in December, April, and June.

All apportionments will be made directly to the appropriate OneSolution G/L key (index code) for the benefit of the district. The monies are available immediately upon posting to the district fund.

For cities or districts that do not bank with the County Treasury, checks are generally issued the month following the apportionment.

Administrative Fee

The Auditor-Controller collects an administrative fee of 1% of the collections from districts to provide for billing, collecting, apportioning, and reporting the special assessment charges on the property tax roll. This fee will be charged to the appropriate OneSolution G/L key (index code) for the district following each collection period.

Defaulted Parcels

Any special assessments not collected by June 30 will be transferred to the defaulted (or redemption) roll. If your charges are under the Teeter Plan of apportionment, the County purchases all defaulted assessments and the district receives all assessment charges in the year they are charged. If there is a correction to a charge that is on the defaulted (or redemption) roll, the district will be charged this correction at the end of the fiscal year in which the correction was made.

If your district is not under the Teeter plan, your charges are paid to you as the charge is collected, you will receive payments on defaulted parcels the year in which it is redeemed. Collection of defaulted parcels can take five years or more. If the property is sold in a defaulted tax sale, it may be sold for less than the amount to pay all defaulted taxes. This means that the district's assessment may not be fully recovered. Districts may object to the sale of specific properties prior to the sale. The Tax Collector is required to notify districts of upcoming tax sales.

[MUST BE ON AGENCY LETTERHEAD]

**AGREEMENT AND CERTIFICATION
FOR SPECIAL ASSESSMENT CHARGES**

The [Name of your Agency] _____ requests the County of Santa Cruz Auditor-Controller-Treasurer-Tax Collector (the "ACTTC") to provide the service of placement of special assessments on the Secured Tax Roll and distribution of collections to [Name of your Agency]. In consideration for such service, the [Name of your Agency] agrees to and certifies the following:

I. PROPERTY TAX SERVICES

[Name of your Agency] requests the ACTTC to place special assessments on the Secured Tax Roll and distribute collections to [Name of your Agency] at the same time and in the same manner as the County property taxes are collected and distributed. [Name of your Agency] agrees to adhere to the policies and procedures established by the ACTTC as outlined in the Special Assessment Charge Submission Guidelines.

II. FEE FOR SERVICES

[Name of your Agency] agrees to pay for the requested services as follows:

For billing of special assessments, the ACTTC shall collect an administrative fee of 1% of the amount collected for [Name of your Agency].

For correction of special assessments requested by [Name of your Agency] after extension of the tax roll, the ACTTC will collect \$15.00 per correction.

III. AUTHORITY FOR LEVY AND COMPLIANCE WITH LAW

[Name of your Agency] certifies that it has the authority for the levy of the special assessment(s) (i.e. resolution, ordinance, or election) which has/have been submitted to the ACTTC for collection and distribution. [Name of your Agency] warrants that the taxes, fees, or assessments imposed by [Name of your Agency] and collected and distributed pursuant to this agreement comply with all requirements of state law, including but not limited to Articles XIIC and XIID of the California Constitution (Proposition 218).

[Name of your Agency] hereby releases and forever discharges the County of Santa Cruz and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of [Name of your Agency] responsibility under this agreement or other action taken by [Name of your Agency] in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.

[Name of your Agency] agrees to and shall defend, indemnify and hold harmless the County of Santa Cruz and its officers, agents and employees ("indemnified parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action and judgments, in any manner arising out of any of [Name of your Agency] responsibility under this agreement, or other action taken by [Name of your Agency] in

establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.

If any judgment is entered against any indemnified party as a result of action taken to implement this agreement, [Name of your Agency] agrees that the County of Santa Cruz may offset the amount of any judgment paid by the County of Santa Cruz or by any indemnified party from any monies collected by the ACTTC on [Name of your Agency] behalf, including property taxes, special taxes, fees, or assessments. The ACTTC may, but is not required to, notify [Name of your Agency] of its intent to implement any offset authorized by this paragraph.

VI. TERMS OF AGREEMENT

All existing agreements between the ACTTC and/or the County of Santa Cruz and [Name of your Agency] pertaining to the collection of special assessments shall be terminated upon the execution of this agreement.

AUTHORIZED SIGNEE:

(Specify Title): _____

Authorized Signature: _____ Date: _____

Authorized Name: _____
PRINT NAME

**COUNTY OF SANTA CRUZ
2020-2021 Property Tax Roll
SPECIAL ASSESSMENT PROFILE**

This document must be completed and submitted along with a copy of the legal authority and any supporting documentation, including the resolution from the district/agency board authorizing for the collection of the charge/assessment on the current year tax bill.

Special Assessment Information:

Special Assessment Name	
Description	
District/Agency	
Enabling Legislation	
Board Resolution Number	
Beginning Year	
End Year	

Contact Information:

Name	
Address	
Email Address	
Phone Number	
Fax Number	

Special Assessment Charge Type (choose one):

Special Tax – Approved by 2/3 of the registered voters	Community Facilities District (CFD) (Mello-Roos)
Geological Hazard Abatement District Law	Municipal Improvement Act of 1913
Lighting and Landscape Act of 1972	Benefit Assessment Act of 1982
County Service Area	Open Space Maintenance Act
Improvement Bond Act of 1915	Vehicle Parking District
Fire suppression	Reclamation District
Abatement District	Other (describe below)
Delinquent refuse charges	

Auditor Fields:

OneSolution GL Key	
OneSolution GL Object	
SPASS Number	
SPASS Name on TAX BILL	

**County of Santa Cruz
Auditor-Controller**

Special Assessment Charge Control Sheet

Please complete this form and include it with your special assessment submission.

Assessment Name	Number	# of Parcels	Total Charge Amount

Submission of charges for the 2020/21 tax roll begins July 1, 2020.

The legal deadline for submission of charges is August 10, 2020.

SPECIAL ASSESSMENT ELECTRONIC FILE FORMAT:

Excel spreadsheet with three columns as follows:

Column.	Data	Notes
A	PIN (Assessor's Parcel Number)	Can only be specified once per special assessment; leading zeros must be included
B	SA Code	SA code – must match exactly
C	Amount	Decimal

Sample layout :

	A	B	C
1	032041523	404824	50.24
2	00438105	404824	100.00

If duplicate entries are submitted, the first will be ignored and the second will be applied.

The file may be submitted by email. Please include the Special Assessment ID in the name of the file and submit along with the Special Assessment Charge Control Sheet to Quynh.Nguyen@santacruzcounty.us



COUNTY OF SANTA CRUZ
EDITH DRISCOLL
AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073
(831) 454-2500 FAX (831) 454-2660

Special Assessment Correction Form

Date: _____ Special Assessment # _____

Special Assessment Name: _____

Parcel Number	Current Year Charge	Revised Charge	Increase/<Reduction>

I have read and understand the Special Assessment Charge Submission Guidelines explaining the requirements and per special assessment cost for deletion or correction after the main roll billing process:

Agency Name: _____

Authorized Signature: _____

Print Name & Title: _____

Phone # & E-mail: _____

Please submit this form via mail or e-mail:
Mail: Santa Cruz County Auditor Controller, 701 Ocean St. Room 100, Santa Cruz, CA 95060
E-mail: Quynh.Nguyen@sntacruzcounty.us



32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800.676.7516

www.nbsgov.com

May 4, 2020

Ms. Stephanie Hill
Finance Manager
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Subject: Agreement to Provide Tax Roll Billing and Proposition 218 Noticing Services

Dear Ms. Hill,

NBS would like to thank you for the opportunity to provide Tax Roll Billing and Proposition 218 Noticing services for the San Lorenzo Water District ("SLVWD") as referenced above. We look forward to continuing our professional relationship.

Please print one (1) copy of our Executed Agreement. Upon signing, please email one copy to contracts@nbsgov.com.

Scope of Services

Delinquent Water Accounts Tax Roll Billing

KICK-OFF MEETING. MEET WITH SLVWD STAFF TO DISCUSS:

- Tax Roll Billing steps and appropriate timeline
- Method of application of the Delinquent Water Account Billing and the data required to establish the proper procedure for levying
- Process for any appeals or disputes

DATA COLLECTION

Gather and review data pertinent to the calculation and billing of the Delinquent Water Account Billing. Data will be obtained from various sources such as the County Assessor's Secured Roll, Assessor's parcel maps and the SLVWD's utility database as determined to be necessary based on the requirements of the formula.

QUALITY CONTROL

Perform cross-reference tests looking at the various data sources, land use codes, and other pertinent information to improve accuracy of application of the charges.

DATABASE MAINTENANCE

Maintain and periodically update a database for all parcels and relevant parcel information within the service area.

LEVY CALCULATION

Calculate the annual levy for each parcel within the service area following the guidelines established in the formula.

LEVY SUBMITTAL

Submit the levy to the County Auditor Controller in the required electronic format. Levies rejected by the County Auditor Controller will be researched and resubmitted for collection on the County Tax Roll

Any parcels that are not accepted by the County for collection will be invoiced with payment to be directed to the SLVWD.

REPORTING

Provide an annual Levy Report. The report will include a parcel listing with levy amounts and rate category identifiers. Parcel and levy data can be provided electronically if desired.

CONSULTING SUPPORT

NBS will provide a toll-free phone number for use by the SLVWD, other interested parties and all property owners. Our staff will be available to answer questions regarding the Delinquent Water Account Billing. Bilingual staff is available for Spanish-speaking property owners.

Delinquent Water Accounts Mailing of Notices

This scope of services pertains to mailing notices for the Delinquent Water Account Billing (“Project”) within the SLVWD.

PROJECT STARTUP

NBS will consult with SLVWD staff to understand the project timeline and review the Notice for the Delinquent Water Accounts (notice drafted and approved by the SLVWD’s legal counsel).

MAILING LIST

NBS will create a mailing list using data supplied by the SLVWD from the customer database.

NOTICE

NBS will print and mail the Notice to property owners and customers subject to the Delinquent Water Accounts (notice drafted and approved by the SLVWD’s legal counsel).

CONSULTING SUPPORT

NBS will provide consulting support including a toll-free phone number for use by the SLVWD, other interested parties, property owners, and customers. NBS staff will be available to answer questions regarding the Delinquent Water Accounts. Bilingual staff is available to assist Spanish-speaking property owners.

SLVWD RESPONSIBILITIES

The SLVWD shall furnish NBS with any pertinent information that is available to the SLVWD and applicable to the Project. The SLVWD shall designate a person to act with authority on its behalf with respect to the

Project. The SLVWD shall promptly respond to requests for review and approval of work prepared by NBS, and to requests for decisions related to the Project.

The SLVWD understands and agrees that NBS is entitled to rely upon all information and documents supplied to NBS by the SLVWD or any of its agents or contractors and other government sources or proxies thereof as being accurate and correct, that NBS will have no obligation to confirm that such information and documentation is correct, and that NBS will have no liability to the SLVWD or any third party if such information is not correct.

SLVWD'S RESPONSIBILITIES

The SLVWD shall furnish NBS with any pertinent information that is available to SLVWD and applicable to the Services. The SLVWD shall designate a person to act with authority on its behalf in respect to the Services. The SLVWD shall promptly respond to NBS' requests for reviews and approvals of its work, and to its requests for decisions related to the Services. SLVWD understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, "Information") supplied to NBS by SLVWD or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to SLVWD or any third party if such Information is not correct.

Fees

Delinquent Water Accounts Tax Roll Billing

Consulting Fee\$750
Estimated Expenses (1)\$50
(1) See description of expenses below, amount estimate for 50 delinquent accounts

Delinquent Water Accounts Mailing of Notices

Consulting Fee\$500
Estimated Expenses (1)\$50
(1) See description of expenses below, amount estimate for 50 delinquent accounts

EXPENSES

Customary out-of-pocket expenses will be billed to the SLVWD at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

ADDITIONAL SERVICES

The following table shows our current hourly rates. Additional services authorized by the SLVWD but not included in the scope of services will be billed at this rate or the then applicable hourly rate.

Title	Hourly Rate
Director	\$225
Associate Director	\$210
Senior Consultant / Engineer / Manager	\$175
Consultant	\$155
Analyst	\$130
Clerical/Support	\$105

TERMS

Consulting services will be invoiced on a monthly basis. Expenses will be itemized and included in the next regular invoice. Fees for all other services will be invoiced upon completion of the task. If the project is prematurely terminated by either party, NBS shall receive payment for work completed. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel administration contracts with 30 days written notice.

INDEMNIFICATION

NBS shall defend, indemnify and hold harmless SLVWD, its officers, employees, officials and agents from and against all claims, demands, losses, liabilities, costs and expenses, including reasonable attorneys' fees, (collectively "Liabilities") arising out of or resulting from the negligence or willful misconduct of NBS or a breach by NBS of its obligations under this Agreement, except to the extent such Liabilities are caused by

the negligence or willful misconduct of SLVWD. NBS will not be liable to the SLVWD or anyone who may claim any right due to a relationship with SLVWD, for any acts or omissions in the performance of Services under this Agreement, unless those acts or omissions are due to the negligence or willful misconduct of NBS. Except in the case of NBS' negligence, willful misconduct or breach of its obligations under this Agreement, SLVWD shall defend, indemnify and hold harmless NBS, its officers, directors, shareholders, employees and agents from and against all Liabilities to the extent that such Liabilities arise out of NBS performing Services pursuant to the terms of this Agreement, including, without limitation, any Liabilities arising as a result of SLVWD or any of its agents or contractors supplying incorrect Information or documentation to NBS. The provisions of this Section shall survive termination of this Agreement.

Please feel free to contact me if you have any questions or need further information.

Best regards,

**NBS Government Finance Group,
DBA NBS**

San Lorenzo Valley Water District



Michael Rentner

Name

President and CEO

May 4, 2020

Title

Date

Title

Date

SAN LORENZO VALLEY WATER DISTRICT - PAST DUE ANALYSIS - OCTOBER 2020

CYCLE 1/999		10/20 BILLS					
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120	
Owner	\$ 212,065	\$ 1,533	\$ 61,557	\$ 21,065	\$ 18,633	\$ 109,276	
Tenant	\$ 28,926	\$ 285	\$ 9,495	\$ 4,921	\$ 4,550	\$ 9,676	
	\$ 240,991	\$ 1,818	\$ 71,052	\$ 25,986	\$ 23,183	\$ 118,952	
IVR/PAST DUE INFORMATION:							
PAST DUE PRIOR TO IVR	651						
# RECEIVING IVR	479	74%	% signed up for IVR				
FINAL PAST DUE	398	61%	% from initial past due				

PRIOR YEAR OCTOBER COMPARISON						
Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120	
\$ 121,664	\$ 3,529	\$ 51,992	\$ 6,138	\$ 2,819	\$ 57,186	
\$ 9,015	\$ 805	\$ 7,382	\$ 631	\$ 174	\$ 23	
\$ 130,679	\$ 4,334	\$ 59,374	\$ 6,770	\$ 2,993	\$ 57,209	
84%	-58%	20%	284%	675%	108%	
% increase from October 2019						

CYCLE 2		10/5 BILLS					
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120	
Owner	\$ 182,176	\$ 2,519	\$ 66,338	\$ 115	\$ 18,320	\$ 94,883	
Tenant	\$ 41,706	\$ 420	\$ 13,944	\$ -	\$ 5,667	\$ 21,675	
	\$ 223,882	\$ 2,939	\$ 80,282	\$ 115	\$ 23,987	\$ 116,558	
IVR/PAST DUE INFORMATION:							
PAST DUE PRIOR TO IVR	875						
# RECEIVING IVR	650	74%	% signed up for IVR				
FINAL PAST DUE	455	52%	% from initial past due				

PRIOR YEAR OCTOBER COMPARISON						
Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120	
\$ 123,746	\$ 4,259	\$ 55,253	\$ 13,171	\$ 4,027	\$ 47,036	
\$ 19,006	\$ 1,160	\$ 9,783	\$ 4,127	\$ 907	\$ 3,029	
\$ 142,752	\$ 5,419	\$ 65,035	\$ 17,298	\$ 4,934	\$ 50,065	
57%	-46%	23%	-99%	386%	133%	
% increase from October 2019						

TOTAL DISTRICT		BILLS SENT IN OCTOBER					
	Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120	
Owner	\$ 394,240	\$ 4,053	\$ 127,896	\$ 21,180	\$ 36,953	\$ 204,159	
Tenant	\$ 70,633	\$ 705	\$ 23,439	\$ 4,921	\$ 10,218	\$ 31,351	
	\$ 464,873	\$ 4,758	\$ 151,334	\$ 26,101	\$ 47,171	\$ 235,510	
# Owners		59	1,040	254	421	383	
# Tenants		11	183	53	90	69	
Total		70	1,223	307	511	452	
IVR/PAST DUE INFORMATION:							
PAST DUE PRIOR TO IVR	1,526						
# RECEIVING IVR	1,129	74%	% signed up for IVR				
FINAL PAST DUE	853	56%	% from initial past due				
PAYMENT PLANS	32	\$ 31,710					
LIEN INFORMATION:							
# ACTIVE LIENS	96						
TOTAL BALANCE	\$ 182,138	89%	% collateralized of Owner Bal Over 120				

PRIOR YEAR OCTOBER COMPARISON						
Bal Fwd	Bal Under 30	Bal 30 to 60	Bal 60 to 90	Bal 90 to 120	Bal Over 120	
\$ 245,410	\$ 7,788	\$ 107,245	\$ 19,309	\$ 6,846	\$ 104,222	
\$ 28,021	\$ 1,965	\$ 17,165	\$ 4,758	\$ 1,081	\$ 3,052	
\$ 273,431	\$ 9,753	\$ 124,410	\$ 24,067	\$ 7,927	\$ 107,274	
# Owners	68	1,006	205	59	110	
# Tenants	14	159	39	7	3	
Total	82	1,165	244	66	113	
70%	-51%	22%	8%	495%	120%	
% increase from October 2019						

M E M O

TO: Budget & Finance Committee

FROM: Director of Finance & Business Services

SUBJECT: CAMP Update

DATE: December 1, 2020

RECOMMENDATION:

It is recommended the Committee receive the information.

BACKGROUND:

In July a presentation on the planned road map was accepted to help guide the District to help develop a strategic plan → capital asset management plan (CAMP) → financial plan.

1. Strategic Plan - I don't believe the draft Strategic Plan has been presented yet.
 - a. Timeliness of this will impact the others.
2. CAMP –
 - a. Attached is an excerpt from the CAMP template. This is where all of the assets we want to track for replacement and maintenance will go.
 - b. The previous meeting we explained how we found discrepancies with the systems fixed asset listing and accrual assets.
 - i. We believe it is isolated to the older or inherited assets that did not have a value at that time to come on the books, or it was simply done prior to when assets were tracked in this manner.
 - ii. The solution was we went through our fixed asset listing line by line to get better descriptions, identify assets no longer in use etc.
 - iii. Finance is waiting for what we are considering the master listing from Operations, listing out all of the tanks, pumps, booster stations etc.
 1. From there we will match up the ones we have with their asset ID and populate as much known information as possible.
 2. These will then be grouped and gone over again for forecasting attributes.
 3. It is estimated that once we get the listing, it will take a month to match and build out.
 - iv. Simultaneously, we are awaiting the Water System Master Plan, which will have the key pipeline information for projecting out that piece.

3. Financial Plan – projections are in place for the more fixed expenditures – need action items from the Strategic Plan and CAMP to complete.

Overall, the process is further behind than anticipated. While I would like to start developing a biennial budget, not having some of these documents may hinder the process. Staff is trying to develop out these crucial documents internally. At this time, I do not see how a consultant could expedite the process, since a lot of it is a matter of gathering internal data. Plus a consultant would be an expense I do not feel the District needs to take on right now. These should be powerful guiding documents for the District, it is recommended forward progress continues to be made.

ASSET INFORMATION														CAPITAL MAINTENANCE				CONDITION ANALYSIS			PHYSICAL ATTRIBUTES					
Asset	Description	Class (# after is # years depreciated)	Character 1	Character 2	Character 4	Orig Cost	Book Val	Install. Year	Depri. Life	Expected Life (typically the same)	Forecasted Asset?	Likely Salvageable	Replacement Cost Basis	Every X Years Maintenance	Maintenance Description	Last Maint. Date	Last Maint. Cost	Maint. Cost Basis	Est. Maint Cost	Asset Condition	Likelihood of Failure	Consequence of Failure	Diameter	Height or Length	Design Capacity	Material
236341	LYON 3 MILLION GAL TANK	TNK_RSV 25	LYON TANK		REDWOOD/LYON	\$ 1,340,762.24	\$ -	1992	25	MAINT	Yes		Maint. Only	20	Paint/Coating	1991	N/A	Manual Est	\$ 450,000				120	36	3,000,000	Welded Steel
236350	READER TANK 150K GAL	TNK_RSV 25	READER TANK	PROJECT 90-15	FIELD	\$ 210,331.85	\$ -	1993	25	MAINT	Yes		Maint. Only	20	Paint/Coating	1992	N/A	Manual Est	\$ 300,000				33	24	150,000	Welded Steel
236352	BIG STEEL PAINT & PLUMB	TNK_RSV 25	BIG STEEL RESER	QUAKE 89-02F	MADRONE	\$ 222,429.69	\$ -	1993	25	MAINT	Yes		Maint. Only	20	Paint/Coating	1993	N/A	Manual Est	\$ 400,000				72	46	1,400,000	Welded Steel
236353	HUCKLEBERRY TANK 120K GAL	TNK_RSV 25	HUCKLEBERRY TAN	QUAKE 89-12F	MIDDLETON	\$ 449,816.75	\$ -	1993	25	MAINT	Yes		Maint. Only	20	Paint/Coating	1992	N/A	Manual Est	\$ 300,000				30	24	125,000	Welded Steel
236396	STORAGE TANK -MC CLOUD	TNK_RSV 30	STORAGE TANK -M	FELTON ACQUISITION	1980 orig install	\$ 426,000.00	\$ 203,278.23	2008	30	MAINT	Yes		Maint. Only	20	Paint/Coating	1980	N/A	Manual Est	\$ 350,000				47	20	255,000	Welded Steel
236398	STORAGE TANK BLAIR	TNK_RSV 30	STORAGE TANK BL	FELTON ACQUISITION	1967 orig install	\$ 382,500.00	\$ 182,520.93	2008	30	MAINT	Yes		Maint. Only	20	Paint/Coating	1967	N/A	Manual Est	\$ 350,000				47	20	255,000	Welded Steel
236401	STORAGE TANK CLEARWELL	TNK_RSV 30	STORAGE TANK CL	FELTON ACQUISITION	1994 orig install	\$ 375,000.00	\$ 178,942.06	2008	30	MAINT	Yes		Maint. Only	20	Paint/Coating	1994	N/A	Manual Est	\$ 350,000				42	24	250,000	Welded Steel

M E M O

TO: Budget & Finance Committee

FROM: Director of Finance & Business Services

SUBJECT: Loan Update

DATE: December 1, 2020

RECOMMENDATION:

It is recommended the Committee receive the information and recommend moving forward with a more immediate line of credit.

BACKGROUND:

Finance staff had been waiting for updates on expenditure projections. It was previously discussed that spending had slowed down. We just received notice that there are approximately \$2M worth of expenditures that have been incurred over the past 2 months. This is a significant amount that was not anticipated.

While there is cash flow projections to support paying these over the next 45 days, it will diminish cash reserves to be below \$2M. Given the high potential of another emergency situation with debris flows, there is now a heightened need to secure a line of credit sooner than later. Additionally, we are still in the damage description phase with FEMA, which means reimbursement from FEMA will not be occurring until 2021.

Staff had previously reached out to 3 lenders: Wells Fargo, Santa Cruz County Bank and MCM (whom did the COP financing). We have an additional contact we just made with a bank Soquel Creek Water District has used in the past.

Thus far, Wells Fargo said they could not support a \$1-3M LOC based on our current situation, MCM is similarly having difficulty. Santa Cruz County Bank has had more promising news and is going to begin the process to get us quotes. I am hoping to hear back from the other bank next week.

For the short term LOC, assuming decent rates, we will recommend moving forward with the financial institute able to work with us the quickest. I hope to hear back from the other lenders and at least have a quote for SCCB prior to the December 7th meeting. At that meeting we will be asking for parameters and permission to authorize the District Manager to move forward with a shorter term line of credit, not to exceed \$3M. This should help bridge the gap until we get FEMA allocation of funds.